











# ANNUAL REPORT OF THE SECRETARY OF THE TREASURY

ON

## THE STATE OF THE FINANCES

FOR THE FISCAL YEAR  
ENDED JUNE 30

1944



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TREASURY DEPARTMENT

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*Secretary*

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OF THE TREASURY DEPARTMENT FROM MARCH 4, 1933, TO NOVEM-  
BER 15, 1944 <sup>1</sup> AND THE PRESIDENT UNDER WHOM THEY SERVED**

Term of service		Official	Secretary of the Treasury	President
From—	To—			
<i>Secretary of the Treasury</i>				
Mar. 4, 1933 Jan. 1, 1934	Dec. 31, 1933	William H. Woodin, New York Henry Morgenthau, Jr., New York		Roosevelt. Roosevelt.
<i>Under Secretaries</i>				
May 19, 1933 Nov. 17, 1933 May 2, 1934	Nov. 16, 1933 Dec. 31, 1933 Feb. 15, 1936	Dean G. Acheson, Maryland Henry Morgenthau, Jr., New York Thomas Jefferson Coolidge, Massachusetts.	Woodin Woodin Morgenthau	Roosevelt. Roosevelt. Roosevelt.
Jan. 29, 1937 Nov. 1, 1938 Jan. 18, 1940	Sept. 15, 1938 Dec. 31, 1939	Roswell Magill, New York John W. Hanes, North Carolina Daniel W. Bell, Illinois	Morgenthau Morgenthau Morgenthau	Roosevelt. Roosevelt. Roosevelt.
<i>Assistant Secretaries</i>				
Apr. 18, 1933 June 6, 1933 June 12, 1933 Dec. 1, 1934 Feb. 19, 1936 July 1, 1938 June 23, 1939 Jan. 18, 1940	Feb. 15, 1936 Sept. 30, 1939 Dec. 12, 1933 Nov. 1, 1937 Feb. 28, 1939 Oct. 31, 1938	Lawrence W. Robert, Jr., Georgia Stephen B. Gibbons, New York Thomas Hewes, Connecticut Josephine Roche, Colorado Wayne C. Taylor, Illinois John W. Hanes, North Carolina Herbert E. Gaston, New York John L. Sullivan, New Hampshire.	Woodin, Morgenthau Woodin, Morgenthau Woodin Morgenthau Morgenthau Morgenthau Morgenthau Morgenthau	Roosevelt. Roosevelt. Roosevelt. Roosevelt. Roosevelt. Roosevelt. Roosevelt. Roosevelt.

<sup>1</sup> For officials since 1789 see annual report for 1932, pp. xvii to xxi, and corresponding table in annual report for 1933.

# **PRINCIPAL ADMINISTRATIVE AND STAFF OFFICERS OF THE TREASURY DEPARTMENT AS OF NOVEMBER 15, 1944**

## **OFFICE OF THE SECRETARY**

Henry Morgenthau, Jr.....	Secretary of the Treasury.
Daniel W. Bell.....	Under Secretary of the Treasury.
Herbert E. Gaston.....	Assistant Secretary of the Treasury.
John L. Sullivan.....	Assistant Secretary of the Treasury.
(Vacant).....	Fiscal Assistant Secretary of the Treasury.
Harry D. White.....	Assistant to the Secretary.
Ted R. Gamble.....	Assistant to the Secretary.
Ernest L. Olrich.....	Assistant to the Secretary.
John W. Pehle.....	Assistant to the Secretary (and Executive Director, War Refugee Board).
Henrietta S. Klotz.....	Special Assistant to the Secretary.
Charles S. Bell.....	Administrative Assistant to the Secretary.
Charles R. Schoeneman.....	Technical Assistant to the Secretary and Budget Officer.
Paul McDonald.....	Assistant Administrative Assistant to the Secretary.
Theodore F. Wilson.....	Director of Personnel.
Elmer L. Irey.....	Chief Coordinator, Treasury Enforcement Agencies.
Chas. P. Shaeffer.....	Director of Public Relations.
William T. Heffelfinger.....	Assistant to the Under Secretary.
Edward D. Batchelder.....	Executive Assistant to the Fiscal Assistant Secretary.
Frank F. Dietrich.....	Executive Assistant to the Fiscal Assistant Secretary.
Walter F. Frese.....	Executive Assistant to the Fiscal Assistant Secretary.
Francis C. Rose.....	Executive Assistant to Assistant Secretary.
F. A. Birgfeld.....	Chief Clerk.
Denzil A. Right.....	Superintendent of Treasury Buildings.
Gabrielle E. Forbush.....	Chief, Secretary's Correspondence Division.

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N. O. Tietjens.....	Assistant General Counsel.
Thomas J. Lynch.....	Assistant General Counsel.
Ansel F. Luxford.....	Assistant General Counsel.
Charles Oliphant.....	Assistant General Counsel.
Josiah E. Du Bois.....	Assistant General Counsel.
Lehman C. Aarons.....	Assistant to the General Counsel.
David J. Speck.....	Special Assistant to the General Counsel.
Lawrence S. Lesser.....	Special Assistant to the General Counsel.
John P. Wenchel.....	Chief Counsel, Bureau of Internal Revenue.
Robert Chambers.....	Chief Counsel, Bureau of Customs.
Theodore W. Cunningham.....	Chief Counsel, Bureau of the Public Debt.
Isadore G. Alk.....	Acting Chief Counsel, Foreign Funds Control.
Alfred L. Tennyson.....	Chief Counsel, Bureau of Narcotics.

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Henry C. Murphy.....	Assistant Director.
Al F. O'Donnell.....	Assistant Director.
Russell R. Reagh.....	Assistant Director (Government Actuary).
Anna M. Michener.....	Assistant to the Director.
Elton B. Smith.....	Administrative Assistant to the Director.
Isabella S. Diamond.....	Librarian.

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Harold Glasser.....	Assistant Director.
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Louis Shere.....	Assistant Director.

## **OFFICE OF THE TAX LEGISLATIVE COUNSEL**

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Frederick C. Lusk.....	Assistant Tax Legislative Counsel.



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Jack Bennett .....	Chief of Licensing Division and Chief of Statistics and Reporting Division.
Rella R. Schwartz .....	Chief of Enforcement Division.
Robert R. Evans .....	Acting Executive Officer (Administrative Services).

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Charles W. Adams .....	Assistant to the National Director.
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Joseph Greenberg .....	Assistant Commissioner of Accounts.
Gilbert L. Cake .....	Chief Accountant.
Stephen P. Gerardi .....	Executive Assistant to the Commissioner.
Guy F. Allen .....	Chief Disbursing Officer, Division of Disbursement.
Joseph A. Woodson .....	Chief, Division of Bookkeeping and Warrants.
B. M. Mulvihill .....	Chief, Division of Deposits.
Harry R. Schwalm .....	Chief Examiner, Section of Surety Bonds.
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Edwin L. Kilby .....	Associate Commissioner of the Public Debt.
Ross A. Hefelfinger .....	Deputy Commissioner of the Public Debt.
H. F. Ziegenfuss .....	Technical Assistant to the Commissioner.
Eugene W. Sloan .....	Deputy Commissioner in Charge, Chicago Office.
Edward G. Dolan .....	Register of the Treasury.
Byrd Leavell .....	Assistant Register of the Treasury.
Marvin Wesley .....	Chief, Division of Loans and Currency.
Melvin R. Loafman .....	Chief, Division of Public Debt Accounts and Audit.
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Marion Banister .....	Assistant Treasurer.
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Clark R. Long .....	Associate Director.
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Cyril B. Upham .....	Deputy Comptroller.
R. B. McCandless .....	Deputy Comptroller.
J. L. Robertson .....	Deputy Comptroller.
W. P. Folger .....	Chief National Bank Examiner.

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Will S. Wood .....	Deputy Commissioner of Narcotics.
Malachi L. Harney .....	Assistant to the Commissioner.

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Harold N. Graves .....	Assistant Commissioner.
George J. Schoeneman .....	Assistant Commissioner.
Eldon P. King .....	Special Deputy Commissioner.
Norman D. Cann .....	Deputy Commissioner.
Victor H. Sell .....	Deputy Commissioner.
D. Spencer Bliss .....	Deputy Commissioner.
Stewart Berkshire .....	Deputy Commissioner.
Archie D. Burford .....	Deputy Commissioner.
A. R. Marrs .....	Head, Technical Staff.
W. H. Woolf .....	Chief, Intelligence Unit.

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Frank Dow.....	Assistant Commissioner of Customs.
E. J. Shamhart.....	Deputy Commissioner.
A. S. Johnson.....	Deputy Commissioner.
Glenn H. Griffith.....	Acting Deputy Commissioner.

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Leland Howard.....	Assistant Director.

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A. W. Frey.....	Deputy Director, Trade Relations, Research, and Publicity.

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Aloysius J. Walsh.....	Deputy Director, Operations.
Paul King.....	Acting Deputy Director, Management.
George Landick, Jr.....	Assistant to the Director.
Robert LeFevre.....	Assistant to the Director.
S. A. Snyder.....	Assistant to the Director.
Norman F. Harriman.....	Technical Assistant to the Director.

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James J. Maloney.....	Assistant Chief.
Laurence E. Albert.....	Assistant to the Chief.
Walter S. Bowen.....	Chief Clerk.
Michael F. Reilly.....	Supervising Agent (White House Detail).

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F. A. Pirgfeld, Vice Chairman.	T. F. Wilson.
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Hessel E. Yntema.	Allison Rupert, Attorney for the Government
Huntington Cairns.	

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Charles R. Schoeneman.....	Member.
Elmer L. Irey.....	Member.

# ANNUAL REPORT ON THE FINANCES

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TREASURY DEPARTMENT,

*Washington, D. C., January 3, 1945.*

SIR: I have the honor to make the following report on the finances of the Federal Government for the fiscal year ended June 30, 1944.

From the commencement of the national defense program in 1940 to the end of the fiscal year 1943, the Federal Government's expenditures for war purposes and its receipts each advanced steadily and rapidly. Expenditures for peacetime purposes declined substantially, expressed as a percentage of their former level; but this contraction was small in amount compared with the huge totals of wartime outlays and taxation.

By the beginning of the fiscal year 1944, the annual rate of war expenditures had nearly stabilized, as the Nation approached its effective production potential and this stability is likely to continue at least through the fiscal year 1945.

The annual rate of Federal receipts during the fiscal year 1944 covered somewhat less than half of total expenditures, and it appears that approximately the same relationship will obtain during the fiscal year 1945.

I said in my report last year, and I still believe, that it would be better for the economy of the United States and fairer to the men in the armed forces if a larger portion of the current cost of the war were paid for by taxation. Congress has decided otherwise, however; and there appears to be little likelihood of a substantial upward revision in our tax system during the continuance of the present conflict. I believe that the time is opportune, therefore, to review the impact of the wartime fiscal operations of the Federal Government on the national economy, and to consider, in broad outline, some of the steps which should be taken to adjust these operations to the new conditions which will prevail when victory is finally achieved.

The following table summarizes the receipts and expenditures of the Federal Government for the fiscal years 1940 through 1945

*Summary of Federal finances, fiscal years 1940 through 1945*<sup>1</sup>

[In billions of dollars]

Item	1940	1941	1942	1943	1944	1945
	Actual					Estimated
A. Expenditures:						
1. War:						
a. Budgetary.....	1.7	6.3	26.0	72.1	87.0	88.0
b. Government corporations <sup>2</sup> .....		.4	2.3	3.2	2.7	1.0
c. Total.....	1.7	6.7	28.3	75.3	89.7	89.0
2. Other:						
a. Interest on the public debt.....	1.0	1.1	1.3	1.8	2.6	3.8
b. Refunds of taxes and customs, including excess profits tax refund bonds.....	.1	.1	.1	.1	.3	2.2
c. Veterans' pensions and benefits.....	.6	.6	.6	.6	.7	1.3
d. Other budgetary expenditures.....	5.7	4.6	4.5	3.6	3.1	3.7
e. Government corporations <sup>3</sup> .....	.3	.7	— .4	— 1.7	— 1.2	— .2
f. Total.....	7.6	7.1	5.9	4.4	5.6	10.7
3. Total expenditures.....	9.3	13.8	34.2	79.7	95.3	99.7
B. Receipts <sup>4</sup> .....	5.4	7.6	12.8	22.3	44.1	45.7
C. Excess of expenditures.....	3.9	6.2	21.4	57.4	51.1	54.0

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Figures are on the basis of classifications appearing in the 1946 Budget Message. They include net expenditures of Government corporations and the totals are not, therefore, the same as the figures in certain other tables in this report. They exclude statutory debt retirements and trust funds.<sup>2</sup> Includes only Treasury outlays for the war activities of the Reconstruction Finance Corporation and its affiliates. Figures are excess of expenditures over receipts.<sup>3</sup> Comprises principally Treasury outlays for Commodity Credit Corporation, Home Owners' Loan Corporation, and nonwar activities of Reconstruction Finance Corporation and its affiliates. Figures are excess of expenditures over receipts. Negative figures indicate excess of receipts.<sup>4</sup> Net budgetary receipts, i. e., total receipts less net appropriation to Federal old-age and survivors insurance trust fund.

The figures on expenditures shown in the table include both budgetary expenditures and net outlays made by the Treasury for the operation of Government corporations. The figures for the fiscal years 1940 through 1944 reflect actual results. Those for the fiscal year 1945 are the estimates presented in the Budget Message of the President.

The table shows that Federal Government expenditures for war purposes rose rapidly from \$1.7 billions in the fiscal year 1940, the last fiscal year before the beginning of the national defense program, to \$89.7 billions in the fiscal year 1944. For the fiscal year 1945, war expenditures are estimated to remain almost unchanged at \$89.0 billions.

Net receipts advanced from \$5.4 billions in the fiscal year 1940 to \$44.1 billions in the fiscal year 1944, and are estimated to remain almost unchanged at \$45.7 billions for the fiscal year 1945.

The excess of expenditures over receipts amounted to \$51.1 billions for the fiscal year 1944, and is estimated at \$54.0 billions for the fiscal year 1945. This excess of expenditures had been as high as \$57.4 billions in the fiscal year 1943, however.

A rough measure of the impact of Federal fiscal operations on the national economy may be made by relating expenditures and receipts

to the total production of goods and services, known as the gross national product.<sup>1</sup> This is done in the following table.

*Proportion of gross national product represented by expenditures, receipts, and excess of expenditures of the Federal Government, fiscal years 1940 through 1945*

Fiscal year	Gross national product (in billions)	Proportion represented by—		
		Federal expenditures	Federal receipts	Excess of expenditures
		<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
1940.....	\$93	10	6	4
1941.....	106	13	7	6
1942.....	134	26	10	16
1943.....	172	46	13	33
1944.....	194	49	23	26
1945.....	198	50	23	27

The gross national product has tended to stabilize at about \$200 billions, apparently reflecting the approach to our effective wartime productive capacity. It is estimated that Federal expenditures during the fiscal year 1945 will be about 50 percent of the gross national product. Federal receipts will amount to about 23 percent of the product; and the excess of expenditures, to about 27 percent. These proportions are approximately the same as in the fiscal year 1944.

An excess of Federal Government expenditures over Federal Government receipts, amounting to 27 percent of the gross national product, means that an amount of income corresponding to that proportion of the gross product is paid out, which the recipients may spend or save as they choose; but that the earning of this income gives rise to no corresponding flow of civilian goods and services upon which it can be spent. A corresponding proportion of the total income flow created by the gross national product must, therefore, be saved by the people if a rise in prices is to be averted.

The experience of the past three years has shown us that, with the aid of appropriate controls, and thanks to the common sense of the American people, this higher rate of savings can be attained in fact, and economic stabilization thereby achieved. I believe that, with suitable controls, and with the continued cooperation of the people with the stabilization program, inflation can and will be avoided throughout the rest of the war period and during the post-war adjustment.

#### *Factors in the stabilization program*

Federal receipts from taxation have increased eightfold since 1940. The major proportion of the remaining excess money incomes that might otherwise have exerted an inflationary pressure has been invested in war bonds, or retained unspent as liquid savings. And the

<sup>1</sup> Federal Government receipts and expenditures are not strictly comparable with gross national product estimates without certain technical adjustments. These adjustments, however, are sufficiently small, for the period covered, to permit them to be omitted in this discussion. See section on Sources of Funds for Federal Borrowing, which begins on p. 79, for further discussion of the relationship of Federal fiscal operations to the rest of the economy.

direct controls over consumption and prices—rationing, allocations, price ceilings, etc.—have prevented the cumulation of cost and price increases. While the removal of purchasing power from the market by wartime taxes and savings campaigns has contributed greatly to the success of the direct controls, the direct controls at the same time have facilitated and strengthened the effectiveness of the taxation and savings programs. In short, the wartime level of taxes, the war loans and other savings campaigns and the direct controls have formed an interrelated program, each part of which has been essential to the whole.

The following table shows the increase in the gross public debt and guaranteed obligations during each of the fiscal years 1940 through 1944, the amount of this increase held unspent in the General Fund of the Treasury, and the amount absorbed by nonbank investors, respectively. The remainder of the debt increase, after making the deductions just referred to, represents funds borrowed directly or indirectly from the banking system and actually spent by the Government during the period. This includes the entire portion of the expenditures of the Federal Government which resulted in the creation of currency and deposits in commercial banks (including time deposits) during each period. As shown in the table, Federal expenditures resulting in an increase in currency and deposits amounted to 7 percent of the gross national product in the fiscal year 1944, as compared with 14 percent in the preceding year. This sharp fall was caused in part, however, by the fact that two complete war loan drives and the major portion of a third fell within the fiscal year 1944, with the result that the proportion of nonbank absorption of the debt in that year was higher than it would have been otherwise.

*Comparison, with the gross national product, of the portion of the increase in the Federal debt which resulted in the creation of bank deposits and currency in the hands of the public*

[Dollars in billions]

	Fiscal year				
	1940	1941	1942	1943	1944
Gross national product.....	\$93	\$106	\$134	\$172	\$194
Increase in gross public debt and guaranteed obligations.....	2.6	6.8	21.7	63.8	61.8
Less increase in General Fund balance.....	-.9	.7	.4	6.5	10.7
Expended portion of increase in public debt and guaranteed obligations.....	3.6	6.1	21.3	57.3	51.2
Less net absorption of debt by nonbank investors <sup>1</sup> .....	1.9	3.6	14.8	32.5	38.0
Debt which resulted in an increase in commercial bank deposits or currency in the hands of the public <sup>2</sup> .....	1.7	2.5	6.5	24.8	13.2
Percent of gross national product.....	2%	2%	5%	14%	7%

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Interest-bearing debt absorbed by nonbank investors, as shown by the table on page 91, plus the entire increase in United States savings stamps, excess profits tax refund bonds, and matured debt.

<sup>2</sup> Interest-bearing debt absorbed by commercial and Federal Reserve Banks, as shown in the table on page 91, plus the increase in deposits in the Treasury for the retirement of Federal Reserve Bank notes and national bank notes, less the increase in the General Fund balance in the Treasury.

By no means all of the increase in the debt absorbed by the banking system has contributed to net inflationary pressure. A large increase in currency and bank deposits was required by the doubling of the gross national product which took place during the period; and this necessary increase in money supply could be furnished, under existing statutes, only by a substantial absorption of debt by the banking system. Also, individuals and corporations paid back substantial amounts of debt, including debt held by the banking system, offsetting in part the increase in commercial bank holdings of Government securities; and increased their savings deposits in commercial banks substantially during the period. In the case of many business enterprises, the proceeds of inventory liquidation and depreciation are held in the form of deposits to facilitate reinvestment in the post-war period. Furthermore, experience has shown that a large proportion of the demand deposits and currency accumulated by individuals and corporations during this period has been regarded by its owners as part of their permanent savings and has not entered into active circulation for the purchase of goods and services.

### *Tax policy*

Our wartime tax policy has been to adapt the tax structure to achieve important wartime objectives.

Through heavy wartime taxes a large part of the financial cost of the war is being paid currently by wartime civilians instead of being deferred to be met by returning service men and women. The large revenue collections during the war are restricting the growth of the debt, thereby moderating post-war fiscal and economic problems. By channeling billions of dollars of spending power into the Treasury, wartime taxes are strongly buttressing the program of economic stabilization. Civilian demands are thereby made more controllable and the strain is eased on direct controls, such as priorities, rationing, wage ceilings, and price ceilings. High taxes on war profits and on large incomes, moreover, have helped to gain popular acceptance of the stabilization program.

The eightfold increase in tax yields has been accomplished in successive stages, thus minimizing shock to the economic system. Moreover, standards of equity in taxation have not been sacrificed. The test of taxation according to ability to pay has been met through heavy reliance on progressive taxes, through special relief provisions to alleviate hardships, and through continued efforts to close avenues of escape from just taxation. The budgeting and payment of taxes have been made more convenient through the introduction of withholding and current payment methods. Individual income tax returns and compliance have been greatly simplified.

Wartime taxes must continue as long as war conditions require. For the post-war period, however, the tax system must be readjusted to the then existing fiscal and economic needs. A strong tax system must be maintained, for post-war expenditures will be far higher than pre-war expenditures and we should plan to reduce the debt as rapidly as economic considerations permit. But selective tax reductions and adjustments will be needed to encourage private expenditures for consumption and investment. Such measures are essential to the realization of full employment in a peacetime economy of free enterprise and competition.

Timing the changes from the wartime tax structure to the post-war tax structure will present an important and difficult problem. Little, if any, reduction in tax rates should be anticipated until after the cessation of major hostilities on all fronts. An important factor affecting timing of downward adjustments is whether the transition and immediate post-war periods will involve continued inflationary pressures and, if so, at what point of time these will disappear. The premature relaxation of our efforts on the tax front might jeopardize the continuing success of the economic stabilization program. On the other hand, too great delay in adjusting the tax structure and rates might jeopardize the post-war maintenance of high levels of employment and business activity.

The problem of adjusting taxes to match the shift of emphasis from wartime objectives to post-war objectives will require foresight and coordinated action. The Treasury has been cooperating with other executive departments and agencies and with the Congressional Joint Committee on Internal Revenue Taxation in the study of tax adjustments for the transition and post-war periods.

### *Debt management*

It is certain that the present war will leave the United States with a large public debt. There is no question of the ability of the country to service this debt. As the tables on pages 2 and 3 indicate, estimated expenditures on account of interest on the debt, for the fiscal year ending June 30, 1945, amount to less than 2 percent of the anticipated gross national product for the same period. Production will probably be at a lower level, and the debt will certainly be somewhat larger after the war than now. The interest charge will thus represent a larger proportion of the national product; but it will still be a relatively small proportion. The payment of interest on the debt, furthermore, does not decrease the amount of the gross national product available for consumption or capital expansion. It is a transfer operation by which the amount of the interest is collected from taxpayers and paid to the holders of the debt, who are also numbered among the taxpayers.



The burden of the debt, therefore, consists of the necessity of collecting a large amount of money from some persons and repaying it to others, and of the possible adverse economic effects of the resulting redistribution of income upon the amount of the national product. This burden is a real one, however, and it should be a major object of fiscal policy in the post-war period to reduce the amount of the debt in so far as this is compatible with the maintenance of full employment.

All borrowing during the wartime period has been by the issuance of securities, the interest on which is subject to the Federal income tax. The exclusive issuance of such securities, which is now a permanent part of our public debt policy, has been achieved without any substantial increase in the interest rates on Federal securities above the rates which it would have been necessary to pay on tax-exempt securities. The taxability of the interest on the wartime debt will both ease the problem of public debt management in the post-war period and make possible a more equitable and better balanced Federal tax system.

The low level of interest rates on the public debt (the computed interest rate on June 30, 1944, was 1.93 percent) lightens the burden of the debt and will tend to simplify debt management in the post-war period. Moreover, the fundamental factors underlying interest rates on Government securities, which apply also to interest rates in other fields, give no indication of a change in the direction of a higher level of rates in the foreseeable future. Continued low interest rates will be a major contribution to economic stability and the maintenance of full employment after the war, for low interest rates stimulate business and encourage new enterprise.

Borrowing during the war period has been carried on with a constant eye to the transitional and post-war effects of the types of securities offered and the classes of investors appealed to. The Treasury has so diversified its offerings of securities as to provide a security adapted to the requirements of each major class of investors. Long-term marketable bonds have been sold principally to insurance companies and savings banks. Commercial banks have been offered more liquid marketable obligations having terms of 10 years or less. One-year certificates of indebtedness, and Treasury savings notes having a maturity of three years, but redeemable at the owners' option after six months, have been especially attractive for the investment of temporary accumulations of business concerns. The principal emphasis in sales of securities to individuals has been upon Series E savings bonds, which have a maturity of ten years, but which are redeemable at the owners' demand after 60 days.

In offering securities to different classes of investors, the Treasury has always borne in mind the fact that the time which the original purchaser of a security will hold it will depend, principally, upon his

own future needs and convenience, and to a very minor extent upon the nominal maturity of the security. The indiscriminate issuance of long-term securities to all classes of investors would not insure their being held to maturity by their original purchasers, but would result merely in premature market liquidation. The adaptation of the securities offered to the particular needs of different classes of investors, taken in conjunction with appropriate open market policy, obviates the possibility of a disorderly liquidation of securities through the market, such as might have occurred had a single type of marketable security been issued to all. Such liquidation as is inevitable in the post-war period will take the form principally of the redemption of securities by the Treasury, either at maturity or at the owners' demand, rather than by sale in the open market. The refinancing of these obligations, to the extent that a net reduction in the outstanding debt is not possible, can be conducted in an orderly manner by the sale of new Treasury securities adapted to market conditions at the time. Thus one factor of economic instability, the demoralization of the security markets, will be eliminated.

Smooth transition to a peacetime economy will be promoted by the distribution of public debt securities of different types among various classes of investors. Corporations which have invested their reserves for reconversion and post-war expansion in certificates of indebtedness and Treasury savings notes suffer no impairment in the liquidity of their reserves by such investment. After the war they may sell or allow their holdings of certificates to run off and may present their savings notes for redemption without loss of principal.

The composition of the public debt will also contribute to economic stability by releasing purchasing power when the stimulus of increased spending is needed. Although individuals will probably not liquidate their savings bond investments on a large scale in the post-war period, they are likely to spend more freely of their current incomes because of the sense of security afforded by their savings bond holdings. The distribution of savings bonds among many individuals in the relatively low income groups will enhance the contribution of such spending to the maintenance of economic stability.

The same circumstances which have made it advisable to concentrate a large proportion of the wartime debt in securities of short maturity will continue in time of peace. The contribution which such a structure of the public debt furnishes to the liquidity of the whole economy will be an important factor in the maintenance of full employment in the post-war period. The funding of a major portion of the short-term debt into longer-term securities, on the other hand, would serve merely to increase the interest cost to the Government and to shift the risk of future changes in interest rates (and corresponding movements, in the opposite direction, of bond prices) from the

Government to private investors. Such a policy would increase, rather than reduce, the factors making for instability in the post-war economy, as the Government is in a better position to bear the risk of changes in interest rates than most classes of investors, and—unlike any class of investors—is also in a position to minimize it. I see no need, therefore, for any large-scale refunding of short-term Government securities into long-term ones during the transition or post-war periods.

*International monetary and financial cooperation*

During the past year further steps have been taken to assure cooperation among the United Nations in dealing with international monetary and financial problems after the war.

For more than a decade we have tried to secure currency stabilization through cooperation with friendly governments. In 1936 we joined with England and France in the Tri-Partite Declaration, to which Belgium, the Netherlands, and Switzerland adhered, to maintain stable exchange arrangements and to consult on important exchange problems. The Treasury also entered into bilateral stabilization agreements with a number of American Republics and other friendly countries. These measures, while helpful, were not adequate to assure stable exchanges in a world of restriction and economic aggression.

On the basis of this experience the Treasury came to the conclusion that international monetary and financial problems could be dealt with only by broad cooperation among all countries. After extended study by the Treasury, with the cooperation of other departments of this Government, tentative proposals were formulated for an international stabilization fund and an international bank. In 1943, drafts of these proposals were sent to the Ministers of Finance of the United Nations for consideration by their technical experts. After a year of discussion among the technical representatives of some thirty countries, a joint statement was published recommending an international monetary fund. In May 1944, President Roosevelt called the United Nations Monetary and Financial Conference which was held at Bretton Woods, N. H., in July. The Conference prepared articles of agreement for an international monetary fund and an international bank for reconstruction and development for submission to the participating governments.

World prosperity and world peace will depend in large measure upon the existence of a high level of balanced international trade in the post-war period. All nations are economically dependent upon one another, both as consumers and as producers. With stable and orderly exchanges world trade can be increased. Productive foreign investments will make possible reconstruction of the war-torn areas

of Europe and Asia, and the development of new countries. As one of the leading foreign trading countries of the world, we have a special interest in these measures for international monetary and financial cooperation which will facilitate the revival and growth of world trade.

The United Nations have shown that they regard international monetary and financial problems as an international responsibility that can be dealt with by cooperation through the fund and the bank. By providing stable and orderly exchange arrangements and encouraging productive international investment, the fund and the bank will make possible the balanced growth of international trade. Together, they can help provide a sound foundation for a prosperous and peaceful world.

There follows a detailed discussion of receipts and expenditures, public debt operations, taxation and monetary developments, and other Treasury operations during the fiscal year.

### RECEIPTS IN GENERAL AND SPECIAL ACCOUNTS

Total receipts of the Federal Government in general and special accounts amounted to \$45.4 billions during the fiscal year 1944. Net receipts, which consist of total receipts less the net appropriation for the Federal old-age and survivors insurance trust fund, amounted to \$44.1 billions. Total receipts were nearly twice the amount received in 1943, nearly three and one-half times those in 1942, and five and one-half times those in 1941. A comparison of annual total and net receipts, beginning with 1941, is shown in the following table.

*Receipts, fiscal years 1941 through 1944*

[Dollars in billions. On basis of daily Treasury statements, see p. 519]

Year	Income and excess profits taxes		All other		Total receipts		Net appropriation to Federal old-age and survivors insurance trust fund <sup>1</sup>	Net receipts
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Amount
1941.....	\$3.5	42.0	\$4.8	58.0	\$8.3	100.0	\$0.7	\$7.6
1942.....	8.0	58.2	5.7	41.8	13.7	100.0	.9	12.8
1943.....	16.1	68.8	7.3	31.2	23.4	100.0	1.1	22.3
1944.....	34.7	76.3	10.8	23.7	45.4	100.0	1.3	44.1
Total.....	62.2	68.5	28.6	31.5	90.7	100.0	3.9	86.8

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Represents appropriations equal to "Social security taxes—Federal Insurance Contributions Act" collected and deposited as provided under sec. 201 (a) of the Social Security Act Amendments of 1939 less reimbursements to the General Fund for administrative expenses.

# RECEIPTS<sup>1</sup> CLASSIFIED BY MAJOR SOURCES FISCAL YEARS 1938 THROUGH 1944

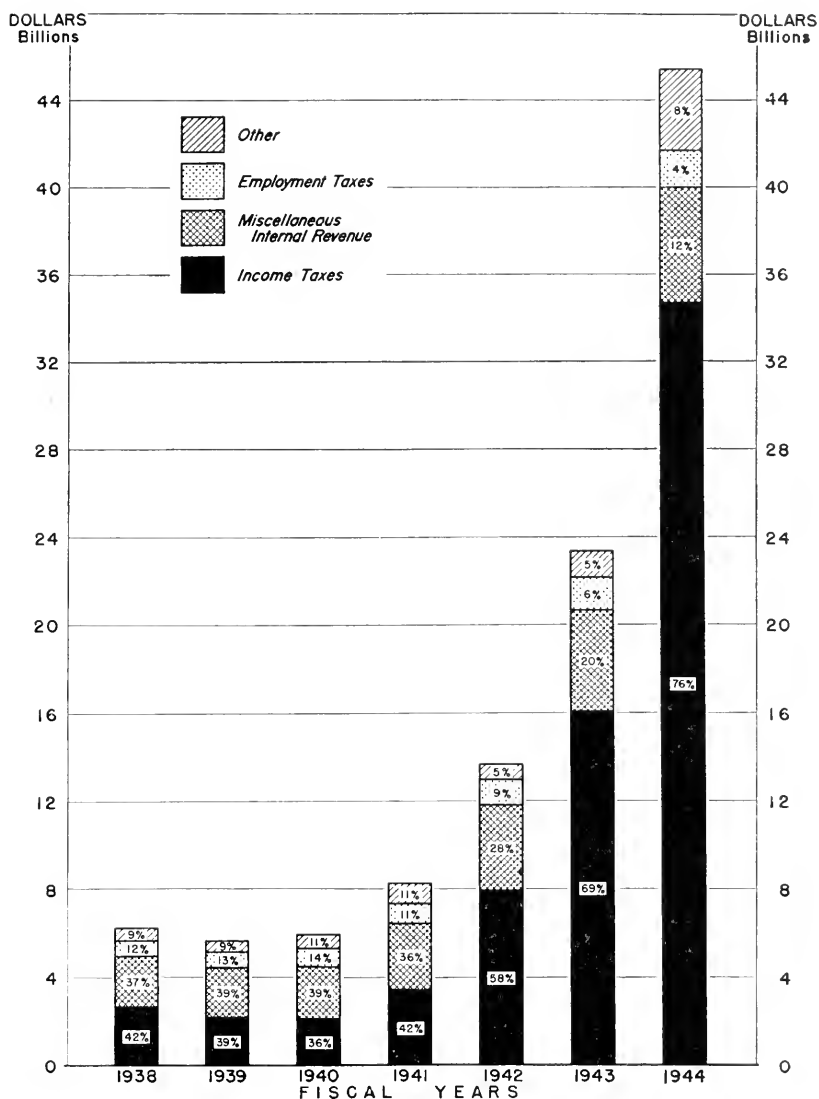


CHART 1.

<sup>1</sup> Excludes trust account receipts and net appropriation to the Federal old-age and survivors insurance trust fund.

A war-stimulated economy and the new tax legislation enacted in response to the need for increased revenue have combined to lift receipts sharply in each of the war years. The rapid expansion of industrial production in consequence of Federal war expenditures was accompanied by a similar expansion in business profits, in payments to individuals as a factor in the cost of production, and in the production of civilian goods and services, thus increasing taxable income. By a series of legislative acts, new taxes were imposed, rates were increased, exemptions were lowered, and radical changes in collection procedures were instituted tending to make tax payments more current. The acts involved were the Revenue Acts of 1942 and 1943, the Current Tax Payment Act of 1943, and the Individual Income Tax Act of 1944. The increase in total receipts in 1944 over 1943 amounted to \$22.0 billions.

The rising trend of total receipts in the fiscal years 1938 through 1944 is pictured by major sources in Chart 1 on page 11.

Income and excess profits taxes produced more than three-fourths of the total receipts in 1944. The remaining fourth was derived from the capital stock tax, estate and gift taxes, employment taxes, customs duties, deposits resulting from renegotiation of war contracts, proceeds of Government-owned securities, excise taxes, and miscellaneous taxes and receipts. Detailed data are contained in the tables beginning on page 561.

*Receipts from income and excess profits taxes*

Receipts from income and excess profits taxes more than doubled in 1944, and the increase represented 84.3 percent of the aggregate increase from all sources of revenue. The receipts of \$34.7 billions from income and excess profits taxes were 76.3 percent of total receipts, as compared with 68.8 percent in 1943 and 42.0 percent in 1941.

Four years' receipts from income and excess profits taxes on corporations and individuals are shown in the table which follows.

*Receipts from income and excess profits taxes,<sup>1</sup> fiscal years 1941 through 1944*

[Dollars in billions. On basis of internal revenue collections, see p. 520]

Year	Corporation					
	Income	Excess profits	Declared value excess profits	Unjust enrichment	Total	
					Amount	Percent
1941.....	\$1,852.0	\$164.3	\$28.1	\$9.1	\$2,053.5	59.2
1942.....	3,069.3	1,618.2	52.2	4.4	4,744.1	59.3
1943.....	4,520.9	5,063.9	82.4	1.8	9,669.0	59.3
1944.....	5,284.1	9,345.2	137.0	.4	14,766.8	44.7
Total.....	14,726.3	16,191.6	299.7	15.7	31,233.3	51.4

Footnote at end of table.

*Receipts from income and excess profits taxes,<sup>1</sup> fiscal years 1941 through 1944—Con.*

[Dollars in billions]

Year	Individual				Total		Total adjusted to daily Treasury statement basis
	Withheld	Not withheld	Total				
			Amount	Percent	Amount	Percent	
1941.....		\$1, 417. 7	\$1, 417. 7	40. 8	\$3, 471. 1	100. 0	\$3, 469. 6
1942.....		3, 262. 8	3, 262. 8	40. 7	8, 006. 9	100. 0	7, 960. 5
1943.....	\$686. 0	5, 943. 9	6, 629. 9	40. 7	16, 298. 9	100. 0	16, 093. 7
1944.....	7, 823. 4	10, 437. 6	18, 261. 0	55. 3	33, 027. 8	100. 0	34, 654. 9
Total.....	8, 509. 4	21, 061. 9	29, 571. 4	48. 6	60, 804. 7	100. 0	62, 178. 6

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Includes current taxes and back taxes.

### *Individual income taxes.—*

The fiscal year 1944 was the first since 1937 in which collections of the individual income tax exceeded those from the corporation income and excess profits taxes. Individual income tax collections of \$18.3 billions in the fiscal year 1944 were \$11.6 billions greater than the collections of \$6.6 billions in the fiscal year 1943. The increase resulted not only from higher levels of income but also from (a) increased tax liabilities under the Current Tax Payment Act of 1943 and the Revenue Acts of 1942 and 1943; and (b) an abnormal concentration of payments in 1944 resulting from the new legislation.

During the fiscal year 1944 the Treasury speeded up its receipts of withholdings from salaries and wages by employers. Most employers who had withheld more than \$100 per month deposited these amounts with Federal depositaries during the ensuing month, rather than wait until the month following the end of the quarter to make payments into the Bureau of Internal Revenue. Where such payments were made the depositary paid them to the Treasury immediately and they were included in the individual income tax receipts on the daily Treasury statement basis. Receipts for these withholdings given to the employers were then forwarded to the Bureau of Internal Revenue which at that time considered these amounts to be collections. It also collected cash from employers who had not paid through depositaries. The adjustment to the daily Treasury statement basis in the fiscal year 1944 is abnormally large since it includes, for the first time, the withholdings made to depositaries but not yet received by the Bureau of Internal Revenue as collections. Receipts (on the daily Treasury statement basis) from the individual income tax totaled \$19.8 billions and receipts of amounts withheld totaled \$9.2 billions as compared with corresponding amounts of \$18.3 billions and \$7.8 billions reported as collections by the Bureau of Internal Revenue.

The Current Tax Payment Act of 1943 approved June 9, 1943, and effective July 1, 1943, greatly increased the receipts in the fiscal year

1944 by placing the individual income tax on an appreciably current payment basis. The act remitted 1942 income tax liabilities of individuals but provided for a greater proportion of current payment of liabilities incurred on the incomes of 1943 and 1944, partly through withholding at source, and imposed large additional nonrecurring liabilities on 1943 incomes in partial offset of the complete remission of the tax liabilities upon calendar year 1942 incomes. In the fiscal year 1944 the amount received from withholding was \$9.2 billions, or 46.8 percent of the current individual income tax receipts, as compared with \$0.7 billions, or 10.8 percent, in 1943.

As a result of placing collections of the individual income tax on a partly current basis as of July 1, 1943, the receipts in the fiscal year 1944 reflected the levels of income of the calendar years 1943 and 1944. On the other hand, the receipts in the fiscal year 1943 reflected mainly the levels of income in the calendar years 1941 and 1942. Since the period was one of sharply rising income, the shift to a current basis, aside from other legislative changes, served to accentuate the increase in receipts between the two fiscal years.

Provisions of the Revenue Act of 1942 contributed substantially to the increase of the fiscal year 1944 receipts. The higher rates, together with the lower personal exemptions and credits for dependents, of the Revenue Act of 1942 were reflected in the receipts for the entire fiscal year 1944. The receipts in the fiscal year 1943, on the other hand, reflected the lower rates and higher exemptions of the Revenue Act of 1941.

The Revenue Act of 1943, together with the Individual Income Tax Act of 1944, in the process of simplifying the payment of the individual income tax effected numerous changes in the law and imposed some additional liability upon 1944 incomes. This additional liability, principally from elimination of the earned-income credit, was partially reflected in the fiscal year 1944 receipts.

The abnormal concentration of payments in the first year of the transition to a current payment basis, the fiscal year 1944, was the result of three factors. First, under the Current Tax Payment Act of 1943, liabilities of 1943 were defined in effect as the higher of 1942 or 1943 liabilities under the Revenue Act of 1942 plus additional nonrecurring liabilities imposed as offsets of complete remission of 1942 liabilities; and payments of 1942 tax liabilities already made in the calendar year 1943 prior to July 1, 1943, were applied against 1943 liabilities due in the fiscal year 1944. Individuals whose incomes in 1942 were less than in 1943 had paid prior to July 1, 1943, considerably less than half of their aggregate 1943 liabilities, exclusive of nonrecurring liabilities, so that an abnormally large proportion of 1943 liabilities was liquidated in the fiscal year 1944. Second, the larger part of the nonrecurring liabilities on 1943 incomes was paid in



the fiscal year 1944, the remainder being due in the fiscal year 1945. Third, normally a small amount of June payments spills over into July collections figures, but the unusually large number of part payments made in June 1943 resulted in the official recording of an unusually large portion of payments as collected in the fiscal year 1944.

Receipts from back taxes from individuals amounted to \$183.7 millions in the fiscal year 1944, an increase of \$10.8 millions, or 6.2 percent, over such receipts of \$172.9 millions in the fiscal year 1943. This increase is associated with the large individual income tax liabilities incurred in recent years.

*Corporation income and excess profits taxes.—*

Collection of total corporation income and excess profits taxes amounted to \$14.8 billions in the fiscal year 1944, an increase of \$5.1 billions, or 52.7 percent, over collections of \$9.7 billions the year before. The increase of \$5.2 billions, on a receipts basis, represented 24.0 percent of the increase in total receipts from all sources and was second in importance only to the increase in collections of the individual income tax.

The increase in corporation tax receipts in 1944 resulted from a combination of changes occurring in the war period, principally economic changes affecting corporate income and statutory changes affecting the corporate tax structure. Of primary significance was the sharp rise in corporate income between the calendar years 1941 and 1943. This increase in corporate income was not, however, reflected fully in the increase in tax receipts of 1944 over those of 1943, since only about half of the collections on the 1941 tax liabilities entered into the receipts of the fiscal year 1943 and likewise only about half of the collections on the 1943 tax liabilities entered into the receipts of the fiscal year 1944. (Collections on 1942 tax liabilities are divided about evenly between the fiscal years 1943 and 1944.)

Corporate tax liabilities were increased also by provisions of the Revenue Act of 1942, details of which are set forth on pages 99 and 100 of the annual report of the Secretary for the year 1943. A considerable part of the fiscal year 1943 receipts reflected payments incurred at the rates imposed by the Revenue Act of 1941, while most of the fiscal year 1944 receipts were payments of taxes on income subject to rates enacted by the Revenue Act of 1942.

Among the changes contained in the Revenue Act of 1942 was one which provided that, in computing the base for normal tax and surtax, the income subject to the excess profits tax be deducted from net income, instead of the excess profits tax itself being deducted from net income, as was the case under the Revenue Act of 1941. This change offset somewhat the potential revenue effect of the increased combined normal and surtax effective rate and reduced the importance of the corporation income tax relative to the excess profits tax.

Thus an increased proportion of corporate income became subject to the excess profits tax rather than to normal tax and surtax, and as corporate income increased, the base for the normal tax and surtax did not increase proportionately so much as the base for the excess profits tax. This accounts in part for the relatively greater increase in excess profits tax current collections from \$4.8 billions in the fiscal year 1943 to \$8.5 billions in the fiscal year 1944, as contrasted with comparable income tax current collections of \$4.1 billions and \$4.8 billions in the two fiscal years.

Some increases in the yield from the excess profits tax resulted also from changes in the methods of computing the excess profits credit. These changes are described on pages 100 and 101 of the annual report of the Secretary for 1943.

Many other provisions of the Revenue Act of 1942 affected to some extent the tax revenue received from certain corporations. These included, for example: (1) the extension of the privilege of filing consolidated returns for normal tax and surtax purposes as well as for the excess profits tax, in which case, however, an additional 2 percent of surtax net income was imposed, and (2) a credit, allowed against the corporation surtax only, equal to the amount of dividends paid on preferred stock, was allowed to certain public utilities.

The provisions of the 1942 Revenue Act for a 2-year carry-back of net operating losses in computing net income and a 2-year carry-back of unused excess profits credit, in addition to the allowance for a 2-year carry-forward of net operating losses and unused excess profits credit are potentially of importance but have not appreciably affected current receipts through the fiscal year 1944.

The Revenue Act of 1943, effective January 1, 1944, increased the 1944 fiscal year receipts by a negligible amount since only those corporations with fiscal years ending in January, February, and March 1944 made payments on liabilities incurred under the provisions of the 1943 act. These liabilities were limited to that part of their total fiscal year falling in 1944.

No changes were made in the declared value excess profits tax rates in either the 1942 or 1943 Revenue Act. The increase in current collections from this tax, from \$61.1 millions in the fiscal year 1943 to \$109.9 millions in the fiscal year 1944, was largely attributable to the increase in corporate income occurring over the period 1941-1943 and to the erratic nature of the tax. Since the declared value excess profits tax applies only if a corporation fails to declare its capital stock at a value equal to 10 times the earnings taxable under the declared value excess profits tax, the amount received under this tax depends upon the accuracy with which corporations predict their earnings.

Back income tax receipts increased from \$383.9 millions in the fiscal year 1943 to \$521.4 millions in the fiscal year 1944, while the increase in the excess profits back tax receipts was both absolutely and proportionately greater, from \$219.9 millions to \$865.8 millions. Back taxes are affected by the level of corporate liabilities but with a longer lag than holds in the case of current collections. Thus, the fiscal year 1944 receipts of back taxes included payments on tax liabilities incurred by corporations with taxable years ending in the calendar year 1942 or earlier, whereas current receipts in the fiscal year 1944 were limited to liabilities incurred in the calendar years 1943 and 1942.

*Receipts from all other sources*

Receipts from sources other than income and excess profits taxes in the fiscal year 1944 amounted to \$10.8 billions, or 23.7 percent of the total. Receipts from this group increased nearly \$3.5 billions over those in 1943. About two-thirds of this rise, \$2.4 billions, occurred in miscellaneous receipts and \$738.4 millions in miscellaneous internal revenue. There were substantial increases in the other major categories also. The table following outlines the principal sources of such receipts in the past four years.

*Receipts from sources other than income and excess profits taxes,<sup>1</sup> fiscal years 1941 through 1944*

[In millions of dollars]

Source	1941	1942	1943	1944	Total
Miscellaneous internal revenue:					
Capital stock tax.....	166.7	281.9	328.8	380.7	1,158.0
Estate and gift tax.....	407.1	432.5	447.5	511.2	1,798.3
Liquor <sup>2</sup> .....	818.5	1,046.9	1,423.5	1,618.0	4,906.9
Tobacco <sup>2</sup> .....	693.2	780.8	915.3	988.4	3,377.7
All other, including repealed taxes.....	869.2	1,295.5	1,456.1	1,855.0	5,475.7
Total miscellaneous internal revenue (collections basis).....	2,954.6	3,837.7	4,571.1	5,353.3	16,716.7
Adjustment to daily Treasury statement.....	12.3	9.4	-18.5	-62.3	-59.1
Total miscellaneous internal revenue (daily Treasury statement basis).....	2,966.9	3,847.1	4,552.6	5,291.0	16,657.6
Miscellaneous receipts:					
Renegotiation of war contracts.....			<sup>1</sup> 558.2	<sup>2</sup> 2,235.4	<sup>3</sup> 2,793.6
All other.....	508.2	277.4	347.9	1,044.7	2,178.1
Total miscellaneous receipts.....	508.2	277.4	906.1	3,280.1	4,971.7
Customs.....	391.9	388.9	324.3	431.3	1,536.4
Employment taxes and railroad unemployment insurance contributions.....	932.0	1,194.0	1,507.9	1,751.2	5,385.2
Total.....	4,798.9	5,707.4	7,291.0	10,753.6	28,550.9

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Revised.

<sup>2</sup> The detail of miscellaneous internal revenue taxes is on the basis of internal revenue collections with totals adjusted to the basis of the daily Treasury statement. Miscellaneous receipts (but not the components), customs, and employment taxes and railroad unemployment insurance contributions are shown on the daily Treasury statement basis. Information regarding the amounts of deposits resulting from the renegotiation of war contracts is on the basis of covering warrants.

<sup>3</sup> Collections for credit to trust funds are not included.

<sup>4</sup> Includes \$112,784,469.99 representing voluntary return of excessive profits on renegotiated war contracts.

*Miscellaneous internal revenue.*—

Miscellaneous internal revenue increased primarily because of greater consumer demand for the products taxed, higher tax rates, and new taxes provided by the Revenue Act of 1942 (effective in only part of the fiscal year 1943) and the Revenue Act of 1943.

## (1) CAPITAL STOCK TAX.

Collections from the capital stock tax in the fiscal year 1944 were \$380.7 millions, or 0.8 percent of total receipts. They represented an increase of 15.8 percent over the amount of \$328.8 millions collected in the fiscal year 1943. The increase is attributable to a higher income level and valuation of capital stock for declared value excess profits tax computation in the calendar year 1943 than in the calendar year 1942.

## (2) ESTATE AND GIFT TAXES.

Estate and gift tax collections together amounted to \$511.2 millions in 1944, or 1.1 percent of total receipts. Their yield in 1944 increased \$63.7 millions over that in 1943.

Primarily responsible for the increase in revenue from the estate tax were the higher rates instituted by the Revenue Act of 1941 effective for a full fiscal year for the first time in 1944. In the fiscal year 1943 the higher rates under the 1941 act were applicable to only approximately 50 percent of the returns filed because of the 15-month lag permissible under the law between the date of death and the date of filing the return. Increased values of estates for which returns were filed in the fiscal year 1944 also contributed to the increase. The Revenue Act of 1942, applicable to some of the returns filed in the fiscal year 1944, reduced the tax liabilities somewhat but not sufficiently to offset the factors tending to increase the yield.

Increases in gift tax collections in 1944 resulted from the greater value of property transferred by gifts during the calendar year 1943, and from changes instituted by the Revenue Act of 1942 which reduced the exclusion and specific exemptions allowed by law.

## (3) LIQUOR TAXES.

Liquor tax collections in the fiscal year 1944 amounted to \$1.6 billions, or 3.6 percent of total receipts. These collections increased \$194.5 millions over those in 1943. Collections from taxes on distilled spirits, \$898.7 millions, and on fermented malt liquors, \$559.2 millions, accounted for 90.1 percent of the total of the group, and represented increases of \$117.0 millions and \$103.5 millions, respectively. The increase as a whole, in the face of a considerable decline in tax-paid withdrawals of distilled spirits, reflected a full year's collection at the higher tax rates on distilled spirits, wines, and fermented malt liquors provided in the Revenue Act of 1942 as compared with only 8 months' collections at these rates in the preceding year. These rates were

further increased by the Revenue Act of 1943, effective during the last three months of the fiscal year 1944.

#### (4) TOBACCO AND PRODUCTS TAXES.

Tobacco and products tax collections amounted to \$988.4 millions, or 2.2 percent of all receipts, in the fiscal year 1944. These collections constituted an increase of \$73.1 millions over 1943. This increase reflected the first full year of collections at the higher rates imposed by the Revenue Act of 1942, greater consumer purchasing power, and some shift from the use of manufactured chewing and smoking tobacco to the smoking of cigarettes and cigars. The tax on small cigarettes yielded \$904 millions and accounted for \$68.7 millions or 94.1 percent of the total increase for the group. The yield from the tax on large cigars, \$30.2 millions, increased by \$7.1 millions, resulting principally from a shift in sales to a more expensive type of cigar subject to a higher rate of tax. The revenue derived from chewing and smoking tobacco, which amounted to \$45.3 millions for the fiscal year 1944, showed a slight decline from \$47.8 millions in 1943.

#### (5) ALL OTHER.

All other miscellaneous internal revenue amounted to \$1.9 billions in 1944, or 4.1 percent of total receipts. Three main groups of taxes produced the receipts under this classification: (a) a group of miscellaneous taxes which brought in \$1.1 billions; (b) manufacturers' excise taxes which brought in \$502.7 millions; and (c) retailers' excise taxes which brought in \$225.2 millions.

##### (a) Miscellaneous taxes.

Receipts from this tax group increased \$318.9 millions over those in 1943. The yield from the tax on transportation of property was \$215.5 millions, an increase of \$132.9 millions over that in 1943, and the yield from the tax on transportation of persons was \$153.7 millions, representing an increase of \$66.6 millions over that of 1943. The increase in receipts from the taxes on the transportation of persons and property was the result of increased volume of both freight and passenger travel. In addition, the high rates imposed by the Revenue Act of 1942 were effective for a full year for the first time in the fiscal year 1944. Receipts from the taxes on telephone, telegraph, and allied services also increased substantially as a result of increased use of these facilities and of a full year of operation of the increased rates imposed by the Revenue Act of 1942. The admissions tax produced \$205.3 millions, an increase of \$50.8 millions over 1943.

##### (b) Manufacturers' excise taxes.

Both the Revenue Act of 1942 and the Revenue Act of 1943 imposed higher excise taxes and levied new excise taxes on a number

of commodities and services. The principal manufacturers' excise taxes for four years are shown in the table which follows.

*Manufacturers' excise tax receipts, fiscal years 1941 through 1944*

[In millions of dollars. On basis of internal revenue collections, see p. 520]

Year	Gasoline	Automobiles, trucks, tires, tubes, parts, and acces- sories	Lubricat- ing oils	Electrical energy	All other	Total
1941 -----	343.0	156.3	38.2	47.0	32.5	617.0
1942 -----	369.6	180.5	46.4	50.0	121.8	768.3
1943 -----	288.8	44.4	43.3	48.7	63.1	488.4
1944 -----	271.2	76.3	52.5	51.2	51.4	502.7
Total -----	1,272.6	457.5	180.4	196.9	268.8	2,376.4

NOTE.—Figures are rounded and will not necessarily add to totals.

While the aggregate yield of these taxes was practically unchanged in 1944, the \$502.7 millions in that year representing an increase of only 2.9 percent over 1943, some individual items decreased and others increased. The decreases which occurred resulted from curtailment in civilian supply resulting from rationing, reduced production for civilians, and lowered stocks of goods on hand. Receipts from the tax on gasoline declined by \$17.6 millions, but they still constituted more than half the total for the group. Other manufacturers' excise taxes showing a decline in yield were taxes on automobiles and trucks; electric, gas, and oil appliances; radio sets and musical instruments; refrigerators; business and store machines; matches; luggage; sporting goods; and firearms. A retailers' tax on luggage replaced the manufacturers' tax under the Revenue Act of 1943.

Among the manufacturers' excise taxes showing increases in 1944, the high yield from the tax on lubricating oils, \$52.5 millions as compared with \$43.3 millions in 1943, is explained by the existence of higher tax rates effective throughout all the fiscal year 1944 as compared with seven months of the fiscal year 1943. The tax on parts and accessories for automobiles produced \$31.6 millions, an increase of \$11.1 millions, reflecting a greater need for replacement parts. The yield of the tax on tires and inner tubes increased from \$18.3 millions to \$40.3 millions, resulting from improved production for essential civilian requirements following the drastic curtailment in the fiscal year 1943. Nominal increases occurred in the yield of the tax on electrical energy and in the tax on photographic apparatus. The only tax in the group for which rates were increased by the Revenue Act of 1943, that on electric light bulbs, is relatively unimportant. Receipts of \$5.4 millions in 1944, however, represented an increase of 45.9 percent over 1943.

## (c) Retailers' excise taxes.

Collections of these taxes amounted to a total of \$225.2 millions in the fiscal year 1944, an increase of \$59.9 millions, or 36.3 percent over 1943 collections of \$165.3 millions. The table below shows retailers' excise tax receipts by type of tax beginning with the fiscal year 1942 when such taxes were first imposed as a war measure. It will be noted that the tax on jewelry has produced more than half of all retailers' excise tax receipts.

*Retailers' excise tax receipts, fiscal years 1942 through 1944*<sup>1</sup>

[In millions of dollars. On basis of internal revenue collections, see p. 520]

Year	Jewelry	Furs	Toilet preparations	Luggage	Total
1942.....	41.5	19.7	18.9	.....	80.2
1943.....	88.4	44.2	32.7	.....	165.3
1944.....	113.4	58.7	44.8	8.3	225.2
Total.....	243.2	122.7	96.4	8.3	470.7

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> No retailers' excise taxes were in effect in the fiscal year 1941.

*Miscellaneous receipts.*—

Miscellaneous receipts in the fiscal year 1944 amounted to \$3.3 billions, an increase of \$2.4 billions over such receipts in 1943.

## (1) RENEGOTIATION OF WAR CONTRACTS.

Of the revenue derived from sources other than income and excess profits taxes, recoveries of excessive profits on renegotiated war contracts constituted the largest single source in the fiscal year 1944. These amounted to more than \$2.2 billions, or 4.9 percent of total receipts, and included \$112.8 millions representing voluntary return of excessive profits on renegotiated contracts. The contracts were entered into by the War and Navy Departments, the United States Maritime Commission, the War Shipping Administration, and the Treasury Department. The share of the Treasury Department amounted to about \$0.9 millions. Total recoveries in 1944 included an increase of more than \$1.5 billions over those in 1943.

*Customs.*—

Customs receipts amounted to \$431.3 millions in the fiscal year 1944 and were 0.9 percent of the total. They exceeded by 33.0 percent the receipts of \$324.3 millions in the fiscal year 1943. By far the greater portion of the increase resulted from increased imports of wool and of alcoholic beverages. Duties on imports of these two commodities accounted for approximately one-half of total customs receipts in the fiscal year 1944.

*Employment taxes and railroad unemployment insurance contributions.—*

Employment tax receipts in the fiscal year 1944 amounted to \$1.7 billions, or 3.8 percent of total receipts. This included an increase of \$241.4 millions, or 16.1 percent, over the amount of nearly \$1.5 billions received in 1943. The greater portion of the increase came from a rise in both industrial and railroad pay rolls associated with the continuing expansion of wartime production. In addition, increases in hourly wage rates awarded to railroad employees, together with an increase in the tax rate, augmented the yield of the tax on carriers and their employees.

Employment tax receipts for the war period by kind of tax are shown in the following table.

*Employment tax receipts, fiscal years 1941 through 1944*

[In millions of dollars. On basis of daily Treasury statements, see p. 519]

Year	Federal Insurance Contributions Act	Federal Unemployment Tax Act	Total other than carriers	Carriers and their employees	Total employment taxes
1941.....	690.6	97.7	788.2	136.9	925.2
1942.....	895.6	119.9	1,015.6	170.0	1,185.6
1943.....	1,130.5	158.4	1,288.9	208.8	1,497.7
1944.....	1,292.1	179.9	1,472.0	267.1	1,739.1
Total.....	4,008.8	555.9	4,564.7	782.8	5,347.5

NOTE.—Figures are rounded and will not necessarily add to totals.

Receipts from the tax imposed by the Federal Insurance Contributions Act amounted to \$1.3 billions in the fiscal year 1944, exceeding receipts of \$1.1 billions in 1943. Receipts under the Federal Unemployment Tax Act increased from \$158.4 millions in 1943 to \$179.9 millions in 1944. In both cases, the tax rates and coverage were the same in the two years, and the increases are attributable to increases in taxable pay rolls in the period affecting receipts in 1944.<sup>1</sup>

The rise of \$58.3 millions in receipts from the tax on carriers and their employees in 1944 as compared with 1943 resulted in part from the increase in the tax rate from 3 percent to 3¼ percent on both employers and employees, effective on wages paid beginning January 1, 1943. The increase was fully reflected in the 1944 receipts. The higher rate affected receipts in only one-quarter of the year 1943 because of a three-months' lag in collections.

Railroad unemployment insurance contributions in 1944 rose to \$12.1 millions from the 1943 contributions of \$10.3 millions.

<sup>1</sup> Postponement of the automatic increase in the 1944 tax rate under the Federal Insurance Contributions Act until March 1, 1944, by Public Law 221, approved by the President December 22, 1943, and until January 1, 1945, by the Revenue Act of 1943, does not affect net receipts since the amounts collected in excess of administrative expenses are appropriated for the Federal old-age and survivors insurance trust fund.



**EXPENDITURES FROM GENERAL AND SPECIAL ACCOUNTS**

Total expenditures of the Federal Government from general and special accounts amounted to \$93.7 billions during the fiscal year 1944, which was \$15.6 billions more than the amount expended in the year before. A comparison of expenditures in the fiscal year 1944 with those in 1943 and in 1941 and 1942 combined, classified to show war and other expenditures separately, appears in the table that follows. Expenditures in 1941, the fiscal year designated as that in which our expanded defense and war activities began, and expenditures in 1942 are shown separately in the annual report for 1943.

*Expenditures, fiscal years 1941 through 1944*

[Dollars in billions. On basis of daily Treasury statements, see p. 519]

Fiscal year	War		Other						Total	
			General		Interest on the public debt		Statutory debt retirements			
	Amount	Per-cent	Amount	Per-cent	Amount	Per-cent	Amount	Per-cent	Amount	Per-cent
1941 and 1942.....	\$32.3	71.4	\$10.4	23.0	\$2.4	5.2	\$0.2	0.4	\$45.3	100.0
1943.....	72.1	92.2	4.3	5.5	1.8	2.3	(*)	(*)	78.2	100.0
1944.....	87.0	92.8	4.1	4.4	2.6	2.8	(*)	(*)	93.7	100.0
Total.....	191.5	88.2	18.8	8.6	6.8	3.1	.2	.1	217.2	100.0

NOTE.—Figures are rounded and will not necessarily add to totals.

\* Less than \$50 millions or 0.05 percent.

War expenditures, it will be noted from the table above, accounted for most of the increase in 1944, and the rise in the amount of interest on the public debt for the remainder. Other expenditures of the Federal Government declined to 4.4 percent of the total. War expenditures, as in 1943, constituted more than 92 percent of all expenditures in the fiscal year 1944. In the four fiscal years during which the country has been engaged in defense and war activities, war expenditures have totaled \$191.5 billions, or 88.2 percent of the total of \$217.2 billions.

Expenditures in the past four fiscal years are summarized by general functions in the table following. The course of expenditures for the past seven years is shown in Chart 2 on page 25.

*Expenditures, fiscal years 1941 through 1944, by functions and organizations*

[In millions of dollars. On basis of daily Treasury statements, see p. 519]

Function and organization	1941 and 1942	1943	1944	Total
<b>War:</b>				
War Department.....	17,748	42,265	49,242	109,255
Navy Department.....	10,893	20,888	26,538	58,319
United States Maritime Commission.....	981	2,776	3,812	7,568
War Shipping Administration.....	132	1,105	1,922	3,159
Agriculture <sup>1</sup> .....	699	2,011	2,143	4,853
Treasury <sup>1</sup> .....	543	1,201	1,432	3,176
Other.....	1,317	1,863	1,950	5,130
Subtotal.....	32,312	72,109	87,039	191,460
<b>General:</b>				
Veterans' pensions and benefits.....	1,119	602	730	2,451
Social security program.....	1,248	735	803	2,786
Public works.....	1,418	543	433	2,395
Aid to agriculture.....	<sup>2</sup> 2,162	1,163	909	4,234
Relief and work relief.....	2,765	317	17	3,099
Refunds of taxes and duties:				
(a) Excess profits tax (bonds).....			134	134
(b) Other.....	184	79	133	396
Other.....	1,529	822	937	3,288
Subtotal.....	10,424	4,262	4,096	18,782
<b>Public debt:</b>				
Interest.....	2,371	1,808	2,609	6,788
Statutory retirements.....	159	3	(*)	162
Subtotal.....	2,530	1,812	2,609	6,950
<b>Total expenditures.....</b>	<b>45,266</b>	<b>78,182</b>	<b>93,744</b>	<b>217,192</b>

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Principally for the lend-lease program.<sup>2</sup> Reduced in 1941 by \$315 millions, representing payments into the Treasury of capital and surplus of certain agricultural corporations, of which \$70 millions were resubscribed in 1942 and \$59 millions were resubscribed in 1943. Details are shown in the annual report for 1941, page 50.

\* Less than \$500,000.

Total monthly expenditures rose from \$4.5 billions in June 1942 to \$8.6 billions in June 1944. Summaries of monthly expenditures for war purposes and for other purposes exclusive of statutory debt retirements appear in Chart 3 on page 27 and in the following table. It will be noted that the significant development in the trend of monthly expenditures during the fiscal year 1944 was their tendency to flatten out. This was in sharp contrast to the continuous rising trend in the three years preceding. The monthly figures for the fiscal year 1941 may be found in the annual report for 1943 on page 24.

# EXPENDITURES<sup>1</sup> CLASSIFIED BY MAJOR FUNCTIONS

## FISCAL YEARS 1938 THROUGH 1944

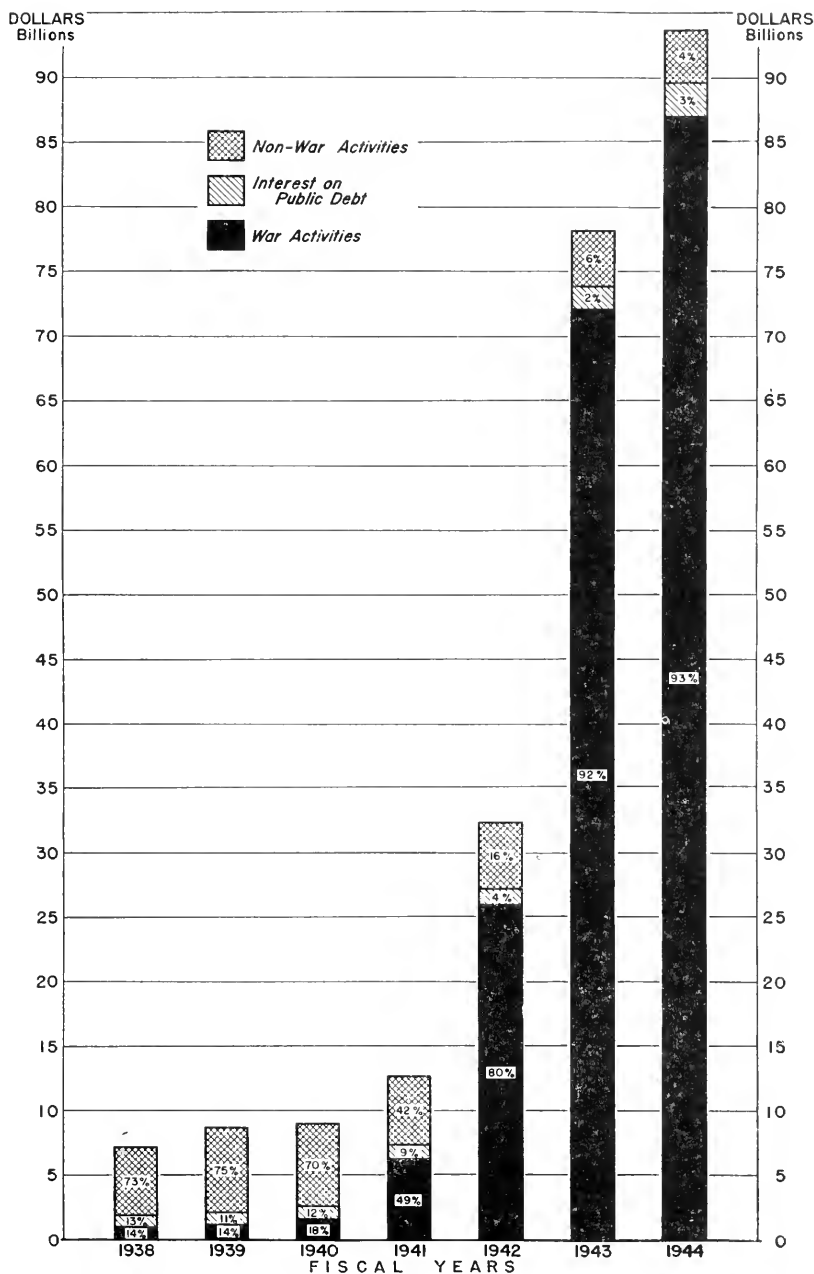


CHART 2.

NOTE.—Expenditures for nonwar activities shown in this chart include some outlays which had the furtherance of defense or of the prosecution of the war as an objective. The expenditures for such activities were made from general appropriations and accordingly could not be classified as part of the war program.

<sup>1</sup> Excludes statutory debt retirements and trust account expenditures.

*Monthly expenditures, fiscal years 1942 through 1944*

[In millions of dollars. On basis of daily Treasury statements, see p. 519]

Month and fiscal year	War expenditures	Other Federal expenditures <sup>1</sup> except public debt	Public debt		Total expenditures
			Interest	Statutory retirements	
1941—July.....	969	604	25	3	1,600
August.....	1,131	390	9	34	1,564
September.....	1,330	375	169	8	1,882
October.....	1,537	471	75	7	2,089
November.....	1,448	394	15	3	1,860
December.....	1,850	459	232	16	2,557
1942—January.....	2,104	432	32	3	2,631
February.....	2,208	409	12	1	2,630
March.....	2,809	407	205	15	3,436
April.....	3,238	439	77	2	3,755
May.....	3,560	375	19	2	3,955
June.....	3,829	311	390	1	4,531
Fiscal year 1942.....	26,011	5,125	1,260	95	32,491
July.....	4,498	628	35	2	5,162
August.....	4,884	324	7	(*)	5,215
September.....	5,384	322	224	(*)	5,931
October.....	5,481	386	70	(*)	5,937
November.....	6,042	293	28	(*)	6,363
December.....	5,825	322	353	1	6,501
1943—January.....	5,947	372	54	(*)	6,372
February.....	5,770	314	35	(*)	6,119
March.....	6,744	348	262	(*)	7,354
April.....	6,974	404	89	(*)	7,466
May.....	7,092	301	42	(*)	7,435
June.....	7,469	248	609	-----	8,327
Fiscal year 1943.....	72,109	4,262	1,808	3	78,182
July.....	6,432	613	68	-----	7,112
August.....	7,232	339	46	-----	7,617
September.....	6,952	271	311	-----	7,535
October.....	6,989	336	131	-----	7,456
November.....	7,541	250	47	(*)	7,839
December.....	6,718	237	497	-----	7,452
1944—January.....	7,138	345	87	(*)	7,570
February.....	7,518	287	56	-----	7,862
March.....	7,726	350	449	(*)	8,525
April.....	7,346	396	117	-----	7,859
May.....	7,879	360	52	(*)	8,292
June.....	7,567	311	747	(*)	8,625
Fiscal year 1944.....	87,039	4,096	2,609	(*)	93,744

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>\*</sup>Less than \$500,000.<sup>1</sup> Includes revolving funds and transfers to trust accounts.*War expenditures*

War expenditures of \$87.0 billions in the fiscal year 1944 again were unprecedented. Their increase of \$14.9 billions over those of the preceding year compared with an increase of \$46.1 billions in the fiscal year 1943 over those of 1942. The figures on war expenditures, however, are exclusive of disbursements of the Reconstruction Finance Corporation and its affiliates, which are shown separately in the section on page 32.

The less rapid rise of war expenditures during 1944 was due to several developments. The initial equipment of the Army was practically completed during the year and some components of the war production program had reached a replacement basis. Moreover,

# MONTHLY EXPENDITURES,<sup>1</sup> BY CLASSES

## JULY 1940 THROUGH JUNE 1944

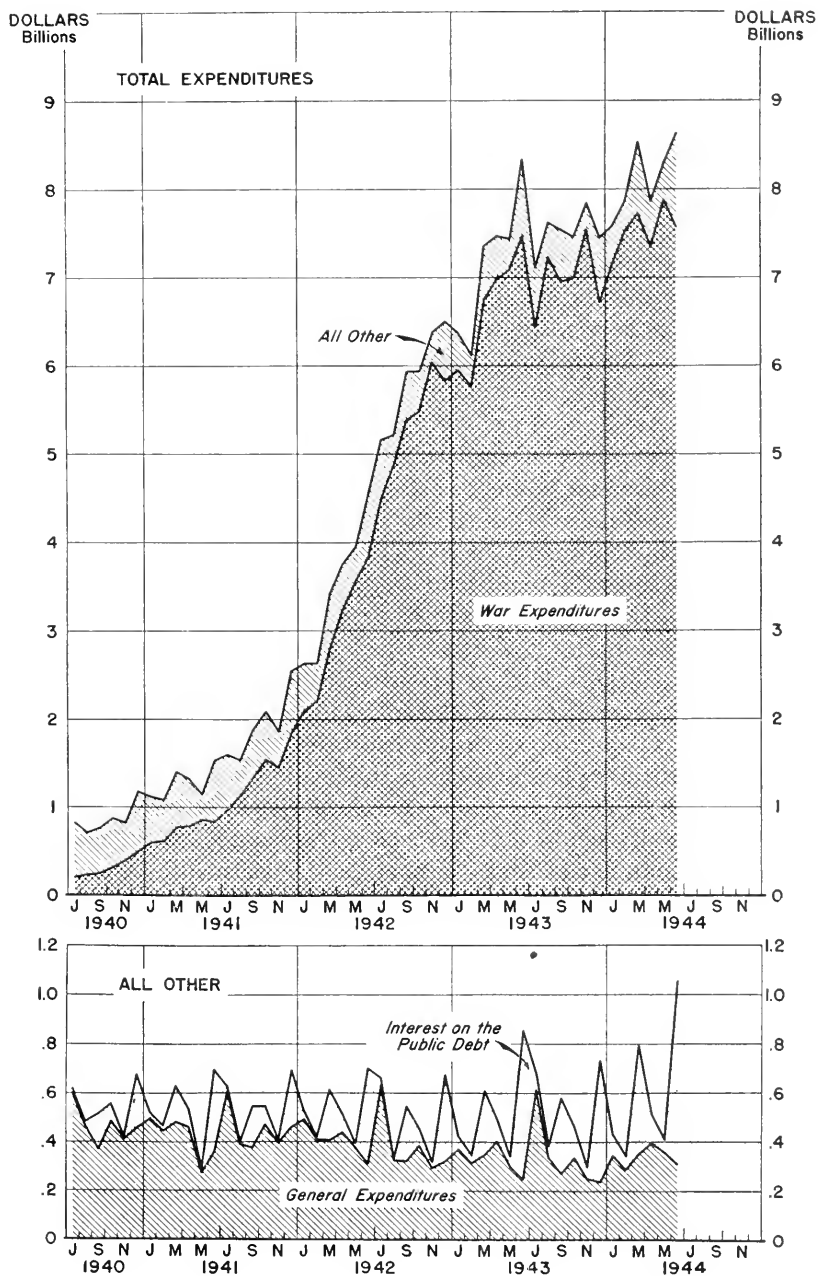


CHART 3.

<sup>1</sup> Excludes statutory debt retirements.

because mass production was being applied certain contract prices of matériel acquired by the Army and Navy had been reduced. Renegotiation of contracts also continued to lower costs. Offsetting these factors were greater expenditures for larger production of certain munitions, for shifts in design and type, for new products, and for subsistence and pay of the full strength of the Army attained on April 1, 1944. Expenses of training, communications, and the transportation of troops continued high.

Expenditures in the fiscal year 1944 reflected the climax of the great task of producing and assembling supplies for the invasions of Italy and France. War Department expenditures increased 16.5 percent over those of 1943. At the same time the Navy Department expended 27.0 percent more than in the year before and the Maritime Commission 37.3 percent more. These disbursements financed not only transportation and support given the European invasion forces but also the accelerated pace of the war in the Pacific.

The figures under the caption "War expenditures" in the preceding summary tables and in most of the other tables in this report include the entire expenditures of the following departments and agencies: War Department (except for rivers and harbors and for flood control), Navy Department, United States Maritime Commission, War Shipping Administration, Office for Emergency Management, and certain other agencies in the Executive Office of the President, and Smaller War Plants Corporation (to extent of capital stock). They include also certain expenditures of the following departments and agencies which have, in addition to the expenditures for their regular activities, some expenditures classified under the head of war activities: Department of Labor, Department of the Interior, Department of Agriculture (principally lend-lease), Treasury Department (principally lend-lease), Department of State, Commerce Department, Department of Justice, National Housing Agency, Federal Works Agency, Federal Security Agency, certain other independent offices, and the Panama Canal.

Expenditures of the agencies above include amounts disbursed for materials and goods transferred and services rendered to other countries in accordance with the provisions of the Defense Aid Act of 1941 and the Military Establishment Appropriation Acts and Naval Appropriation Acts as amended. No comprehensive analysis of the figures in these tables to show the amount expended for lend-lease items is available in the Treasury records. Data on lend-lease aid are published in the President's periodic reports on the lend-lease operations.

The figures on war expenditures embrace expenses of all operations including training of personnel of the armed forces, transportation, communication, travel, pay, subsistence, maintenance, production of

munitions, and many other categories. Excluded are some outlays which had the prosecution of the war as an objective but which were made from funds which had supplemented the regular appropriations of such civil departments and agencies as the Tennessee Valley Authority, the Panama Canal, the Federal Security Agency, and the Federal Works Agency. Excluded also are expenditures of other agencies whose activities have been greatly expanded as a direct result of the war. The expenditures for such activities are made from general appropriations and, accordingly, they cannot be classified as a part of the war program.

The progress of war production in relation to the rise of total war expenditures is shown roughly by the comparison in Chart 4 of ex-

### WAR EXPENDITURES COMPARED MONTHLY WITH MUNITIONS PRODUCTION, JULY 1940 THROUGH JUNE 1944

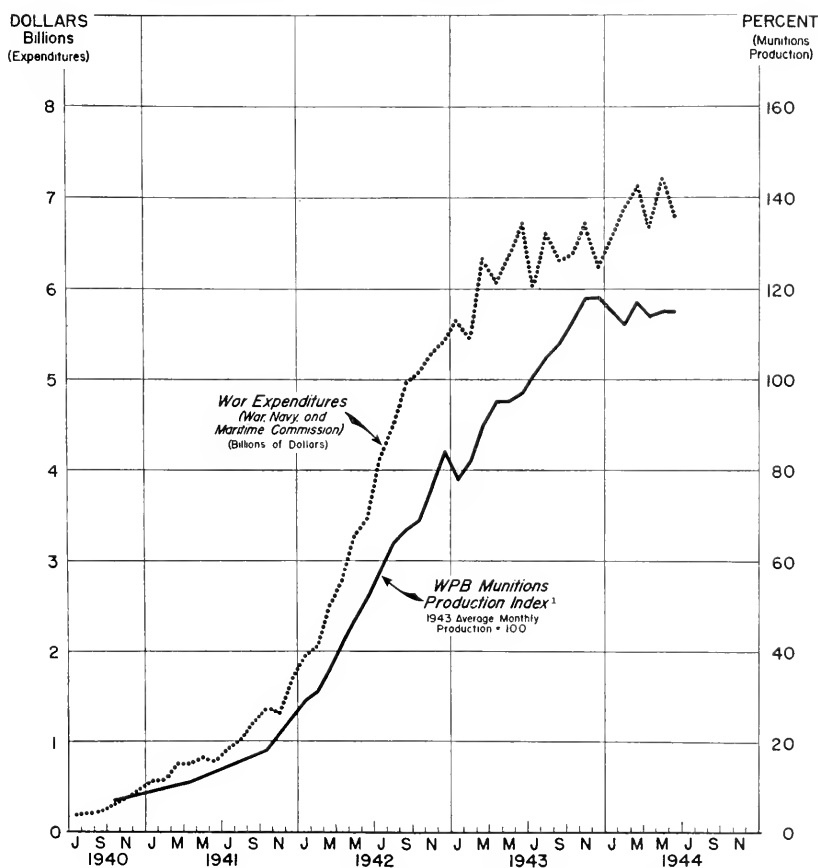


CHART 4.

NOTE.—War Production Board munitions production index includes airplanes, ships, tanks, guns, ammunition, and all industrial equipment, but not construction of industrial facilities.

<sup>1</sup> Only six-month averages are available for the latter half of 1940 and for 1941.

penditures by the three agencies listed above whose activities include the procurement of the principal weapons of war (War and Navy Departments and the Maritime Commission) with the War Production Board's index of production of airplanes, ships, tanks, guns, ammunition, and all industrial equipment (excluding construction of industrial facilities). A monthly summary of war expenditures appears in the following table. The monthly figures for the fiscal year 1941 may be found in the annual report for 1943 on page 26.

*Monthly expenditures for war activities by specified agencies, fiscal years 1942 through 1944*

[In millions of dollars. On basis of daily Treasury statements, see p. 519]

Month and fiscal year	War Department	Navy Department	U. S. Maritime Commission	Subtotal	Other agencies	Total
1941—July.....	516	362	41	919	50	969
August.....	598	441	* 6	1,032	99	1,131
September.....	746	424	46	1,216	114	1,330
October.....	834	497	44	1,375	162	1,537
November.....	771	493	57	1,320	128	1,448
December.....	1,072	545	69	1,686	165	1,850
1942—January.....	1,282	575	86	1,942	162	2,104
February.....	1,369	581	95	2,045	163	2,208
March.....	1,432	946	121	2,499	309	2,809
April.....	1,594	1,101	98	2,793	445	3,238
May.....	1,850	1,307	130	3,287	272	3,560
June.....	2,007	1,309	150	3,465	363	3,829
Fiscal year 1942.....	14,070	8,580	929	23,579	2,432	26,011
July.....	2,861	1,103	184	4,148	350	4,498
August.....	2,875	1,376	211	4,462	423	4,884
September.....	3,519	1,294	141	4,953	431	5,384
October.....	3,417	1,596	46	5,060	421	5,481
November.....	3,538	1,478	274	5,290	751	6,042
December.....	3,770	1,380	275	5,424	401	5,825
1943—January.....	4,053	1,274	331	5,658	289	5,947
February.....	3,239	2,002	223	5,465	305	5,770
March.....	3,985	2,053	285	6,324	420	6,744
April.....	3,727	2,102	248	6,076	898	6,974
May.....	3,857	2,251	243	6,350	741	7,092
June.....	3,424	2,980	315	6,719	750	7,469
Fiscal year 1943.....	42,265	20,888	2,776	65,929	6,180	72,109
July.....	3,808	1,898	319	6,025	407	6,432
August.....	4,219	2,037	361	6,617	615	7,232
September.....	4,036	1,909	366	6,311	641	6,952
October.....	4,142	1,955	294	6,391	598	6,989
November.....	4,173	2,134	402	6,709	832	7,541
December.....	3,841	2,050	356	6,247	471	6,718
1944—January.....	4,170	2,082	308	6,561	578	7,138
February.....	3,792	2,757	331	6,880	638	7,518
March.....	4,461	2,281	386	7,128	598	7,726
April.....	4,160	2,262	273	6,695	651	7,346
May.....	4,334	2,536	364	7,234	645	7,879
June.....	4,106	2,636	51	6,794	774	7,567
Fiscal year 1944.....	49,242	26,538	3,812	79,592	7,447	87,039

NOTE.—Figures are rounded and will not necessarily add to totals.

\* Excess of credits (deduct).

The expenditures for war purposes shown in the preceding tables are compared with the appropriations and contract authorizations for war purposes in the table on page 31. The lag between appropriations and contract authorizations on the one hand and expenditures on the other is due to the necessity for advance planning to insure



procurement of supplies and the execution of production operations.

The magnitude of the war program as of June 30, 1944, is indicated by the figure of more than \$375 billions of war appropriations together with net contract authorizations for which appropriations had not yet been made. This is an increase of about \$115 billions in the program over that of a year earlier. Appropriations for the War Department accounted for \$74.3 billions of the increase, and appropriations and contract authorizations for the Navy Department for an increase of \$25.5 billions. The United States Maritime Commission and the War Shipping Administration combined received an increase in appropriations and contract authorizations of \$9.8 billions.

*War expenditures, appropriations, and contract authorizations, July 1, 1940, through June 30, 1944*

[In billions of dollars]

Organization	War expenditures (July 1, 1940– June 30, 1944)	War appropriations (fiscal years 1941– 1945)	War contract authorizations (net) <sup>1</sup> (fiscal years 1941–1945)	Total war appropriations and contract authorizations (net)
War Department.....	109.3	206.9	.....	206.9
Navy Department.....	58.3	105.1	<sup>2</sup> 13.9	119.1
U. S. Maritime Commission.....	7.6	16.5	<sup>3</sup> 1.2	17.7
War Shipping Administration.....	3.2	7.0	.....	7.0
Other.....	13.2	24.3	0.7	25.0
Subtotal.....	191.5	359.8	15.9	375.6
Liquidation of 1940 and prior contract authorizations.....	.....	— .5	.....	— .5
Total.....	191.5	<sup>3</sup> 359.3	15.9	375.2

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup>For which appropriations have not yet been made.

<sup>2</sup> Unappropriated contract authorizations differ from amounts shown in the daily Treasury statement for July 15, 1944, in order to reflect the latest revised estimates of the Navy Department and the United States Maritime Commission, as of June 30, 1944.

<sup>3</sup> Total appropriations differ from amount shown in the daily Treasury statement for July 15, 1944, in order to include \$88,299,000 appropriated in Public Law 382, approved June 30, 1944, but not shown in daily Treasury statements until August 15, 1944.

The foregoing expenditures do not include disbursements by the Reconstruction Finance Corporation and its affiliates. Total war disbursements by the Reconstruction Finance Corporation and its affiliates from July 1, 1940, through June 30, 1944, amounted to nearly \$15.1 billions, and gross receipts, in the form of rents, repayments and sales, amounted to more than \$6.6 billions. A significant development in the fiscal year 1944 was the increase in gross receipts, which amounted to 54.2 percent of gross disbursements. This percentage compared with 47.8 percent in 1943. The Corporation reported that its commitments amounted to \$28.8 billions between July 1, 1940, and June 30, 1944, of which \$4.6 billions had been withdrawn and canceled.

During the fiscal year 1944, gross disbursements by the Defense Supplies Corporation amounted to \$2,324 millions, the largest amount

by any of the affiliates, and nearly two and one-half times the gross amount disbursed the year before. Gross disbursements by the Defense Plant Corporation declined from \$3,431 millions in 1943 to \$2,305 millions in 1944, an indication that the peak of construction of war plants has passed.

The following summary shows, by fiscal years, disbursements and receipts of the Reconstruction Finance Corporation and its affiliates in connection with the war program.

*War disbursements and receipts of the Reconstruction Finance Corporation and its affiliates*

[In millions of dollars. On basis of reports received by the Treasury]

	1941 and 1942		1943		1944		Total	
	Dis- burse- ments	Re- ceipts <sup>1</sup>	Dis- burse- ments	Re- ceipts <sup>1</sup>	Dis- burse- ments	Re- ceipts <sup>1</sup>	Dis- burse- ments	Re- ceipts <sup>1</sup>
Reconstruction Finance Corporation and its affiliates:								
Defense Plant Corporation.....	1,358	146	3,431	1,366	2,305	688	7,094	2,200
Defense Supplies Corporation.....	365	43	956	522	2,324	1,459	3,645	2,024
Metals Reserve Company.....	496	193	644	386	617	570	1,757	1,149
Rubber Development Corpora- tion.....					158	82	158	82
Rubber Reserve Company.....	309	83	194	220	539	520	1,042	822
U. S. Commercial Company.....	(*)	(*)	71	11	348	206	420	217
The RFC Mortgage Company			34	3	48	10	82	13
Reconstruction Finance Corpora- tion (direct):								
Loan to Great Britain and Northern Ireland.....	390	14		25		44	390	83
Loan—Defense Homes Cor- poration <sup>2</sup> .....	11		33	(*)	19	2	63	2
Loan—Petroleum Reserves Corporation.....					(*)		(*)	
Stock—War Damage Cor- poration.....			1				1	
Automobile financing loans.								
All other loans.....	230	70	340	195	218	151	788	416
	3,159	550	5,704	2,728	6,577	3,731	15,440	7,009
Less inter-company eliminations.....							<sup>3</sup> 376	<sup>3</sup> 369
Total.....	3,159	550	5,704	2,728	6,577	3,731	15,063	6,640

NOTE.—Figures are rounded and will not necessarily add to totals.

\* Less than \$500,000.

<sup>1</sup> Rents, repayments and sales. Does not include profit on sales.

<sup>2</sup> Transferred to the National Housing Agency on Sept. 1, 1942.

<sup>3</sup> Figures shown are cumulative as of June 30, 1944. Distribution by fiscal years not available.

<sup>4</sup> For details by fiscal years, see the Secretary's annual report for the fiscal year 1943, p. 28.

### *General expenditures*

General expenditures in the fiscal year 1944 constituted an even smaller part of the total than in 1943. At \$4.1 billions they were 4.4 percent of the total, compared with 5.5 percent the year before. Sharp reductions in expenditures for several nonwar functions were partially offset, however, by some increases in certain additional departmental activities resulting from the war. (See table on page 24.) The net decrease was \$166 millions.

Curtailment of relief and work relief, as in 1943, accounted for the most substantial reduction, approximately \$300 millions. This re-

sulted from the nearly completed liquidation of the Work Projects Administration and the virtual elimination of expenditures for the Civilian Conservation Corps. Public works expenditures declined by \$110 millions. The largest decrease in this category was \$46 millions for the Tennessee Valley Authority. Retrenchments were made also in public works expenditures for river and harbor work and flood control, for reclamation projects, and for grants to State and local governments under the act of June 21, 1938. Expenditures of the Public Roads Administration declined by \$21 millions.

Aid to agriculture was reduced in 1944 for the second consecutive year, the reduction totaling \$254 millions. In the Department of Agriculture alone, expenditures were \$40 millions less than in the preceding year. Expenditures under the Soil Conservation and Domestic Allotment Act declined \$45 millions, under the Farm Security Administration \$10 millions, and subscriptions to capital stock of the Federal Crop Insurance Corporation were \$10 millions less. Expenditures under the Agricultural Adjustment Act of 1938, which included parity payments, declined by \$39 millions. The net decrease of \$74 millions in expenditures by the Farm Credit Administration revolving fund was due to a net repayment of \$33 millions as compared with a net expenditure of \$41 millions in the fiscal year 1943. A net decrease of \$44 millions under the Post Office Department reflected a net repayment of \$29 millions during the fiscal year 1944 on account of grants made in prior years as compared with a net expenditure of \$15 millions for the fiscal year 1943.

Among the increases in general expenditures in the fiscal year 1944, was a rise in veterans' pensions and benefits of \$127 millions. An increase in disbursements for the social security program of \$68 millions was due mainly to transfers to trust accounts by the railroad retirement account and the Railroad Unemployment Insurance Administration.

"Other" expenditures accounted for a total increase of \$302 millions. An increase of nearly \$200 millions in refunds of taxes and duties by the Treasury Department constituted the largest item in this group. These payments reflected the effects of the provisions of the new tax law under which individuals who overestimated their income tax payments receive cash refunds. The payments also included refunds of \$134 millions in the form of excess profits tax refund bonds, which are not redeemable until after the war.

#### DEFICIT IN GENERAL AND SPECIAL ACCOUNTS

In the fiscal year 1944, expenditures exceeded receipts in general and special accounts by \$49,595 millions. This sum represented the net deficit exclusive of statutory debt retirements. The derivation of the deficit in 1943 and 1944 follows.

*Deficit in general and special accounts, fiscal years 1943 and 1944*

[In millions of dollars. On basis of daily Treasury statements, see p. 519]

	1943	1944
Receipts, total.....	23,385	45,408
Deduct net appropriation to Federal old-age and survivors insurance trust fund..	1,103	1,260
Net receipts.....	22,282	44,149
Expenditures excluding statutory debt retirements.....	78,179	93,744
Net budgetary deficit.....	55,897	49,595

NOTE.—Figures are rounded and will not necessarily add to totals.

**RECEIPTS AND EXPENDITURES IN TRUST ACCOUNTS AND CHECKING ACCOUNTS OF GOVERNMENT CORPORATIONS AND CREDIT AGENCIES**

In addition to receipts and expenditures under general and special accounts, discussed above, certain receipts and expenditures of the Government are reported in the Daily Statement of the United States Treasury under the title of "Trust accounts, etc." Neither the receipts nor the expenditures of these accounts affect the Federal Budget except to the extent that appropriations (e. g., the Government's share of the civil service retirement fund) are made from the General Fund for credit to these accounts. Such appropriations appear as expenditures under general and special accounts, and as receipts under trust accounts, etc., with the exception of net appropriations to the Federal old-age and survivors insurance trust fund which are shown as deductions from receipts under general and special accounts. Moneys in trust accounts not needed for current expenditure are in a number of instances invested in Government securities, as provided by statute. The larger corporations and credit agencies maintaining checking accounts with the Treasurer of the United States generally apply the cash balances not needed for operations to the purchase of Government securities for investments, or to debt or capital stock retirement. A summary of receipts and expenditures in trust accounts, etc., for the fiscal years 1943 and 1944 follows.

*Summary of receipts and expenditures in trust accounts, etc., fiscal years 1943 and 1944*

[In millions of dollars. On basis of daily Treasury statements, see p. 519]

	1943	1944	Increase or decrease (—)
<b>Receipts:</b>			
Federal old-age and survivors insurance trust fund, unemployment trust fund, and railroad retirement account.....	2,810	3,202	393
Other trust funds and accounts.....	1,117	1,850	734
Increment resulting from reduction in weight of gold dollar.....	(*)	(*)	(*)
<b>Total receipts.....</b>	<b>3,926</b>	<b>5,053</b>	<b>1,126</b>
<b>Expenditures:</b>			
Federal old-age and survivors insurance trust fund, unemployment trust fund, and railroad retirement account.....	2,806	3,195	390
Other trust funds and accounts.....	788	1,505	717
Charges against increment on gold.....	(*)	-----	(*)
<b>Subtotal.....</b>	<b>3,594</b>	<b>4,700</b>	<b>1,107</b>
Transactions in checking accounts of Government agencies, etc., (net) <sup>1</sup> .....	2,194	4,403	2,209
<b>Total expenditures.....</b>	<b>5,787</b>	<b>9,103</b>	<b>3,316</b>
<b>Excess of expenditures.....</b>	<b>1,861</b>	<b>4,051</b>	<b>2,190</b>

NOTE.—Figures are rounded and will not necessarily add to totals.

\* Less than \$500,000.

<sup>1</sup> Includes sales and redemptions of market obligations.

A summary of receipts and expenditures in trust accounts, increment on gold, checking accounts of Government corporations and credit agencies, etc., for the fiscal years 1932 through 1944 will be found in table 1 on page 524, and details by months for the fiscal year 1944 in tables 3 and 4 on pages 534 and 554.

Certain Government corporations and credit agencies maintain only checking accounts with the Treasurer of the United States and the transactions shown in the preceding table and in other tables in this report represent their net operations. The tables, therefore, do not furnish sufficient data for an analysis of the financial transactions of these agencies. Arrangements have been made with these corporations and agencies, whereby certain data are submitted to the Treasury so that the Treasury's records can reflect their operations. These data have been combined and appear in the tables beginning on page 770 showing sources and uses of funds for the fiscal year 1944, and from the date of inception of the various corporations and agencies to June 30, 1944. The figures are not on the basis of the daily Treasury statement and, therefore, do not agree exactly with the figures shown in other tables in this report.

#### FINANCING THE NET BUDGETARY DEFICIT AND OTHER REQUIREMENTS

The Treasury's financing program during the fiscal year had to provide for the net budgetary deficit shown on page 34 and for the funds needed to meet the requirements of Government corporations

and credit agencies and to provide for an increase in the General Fund balance. The table that follows summarizes the total cash requirements, including the General Fund balance increase, and the net amount of new money raised during the year.

	<i>Amount (in millions of dollars)</i>
Requirements:	
Net budgetary deficit, excluding statutory debt retirements.....	49,595
Excess of expenditures in—	
(a) Checking accounts of Government corporations and credit agencies:	
General.....	1,529
Sales and redemptions of obligations in the market (net).....	2,874
(b) Trust and other accounts.....	■ 352
Subtotal.....	4,051
Increase in General Fund balance.....	10,662
	<u>14,713</u>
Total requirements.....	<u>64,307</u>
Means of financing:	
Public debt receipts (net) from—	
(a) Public issues:	
Treasury bills.....	2,862
Treasury certificates of indebtedness.....	12,268
Treasury notes.....	8,225
Treasury notes, tax series and savings series.....	2,087
Treasury bonds.....	21,774
United States savings bonds.....	13,350
Other issues.....	325
(b) Special issues to trust funds, etc.....	60,891
	<u>3,416</u>
Total net borrowing.....	<u>64,307</u>

NOTE.—Figures are rounded to nearest million and will not necessarily add to totals.

■ Excess of receipts (deduct).

A distribution of the \$64,307 millions net borrowing during the fiscal year by months and a comparison with the amounts raised in corresponding months of the previous fiscal year appear in the table that follows.

*Net amounts borrowed, fiscal years 1943 and 1944*

[In millions of dollars. On basis of daily Treasury statements, see p. 519]

Month	1943	1944	Month	1943	1944
July.....	4,714	4,828	February.....	2,954	12,448
August.....	4,549	2,534	March.....	1,483	1,608
September.....	4,798	14,291	April.....	14,342	252
October.....	6,420	6,697	May.....	6,064	1,399
November.....	3,212	1,112	June.....	784	14,637
December.....	12,054	—281			
January.....	2,899	4,781		64,274	64,307

## THE PUBLIC DEBT

### *Summary of financing operations*

The Treasury borrowed a net amount of \$64,307 millions in the fiscal year 1944. This sum was approximately equal to the net amount of \$64,274 millions borrowed in the fiscal year 1943. In general the pattern and the mechanics of the financing operations in 1944 were similar to those adopted in 1943, but increasing emphasis was placed on the sale of securities to investors other than commercial banks.

Gross receipts from the sale of public debt obligations during the fiscal year, gross expenditures for the redemption and retirement of public debt items, and the net amount of new money obtained are shown by types of public debt securities in the table that follows.

*Public debt receipts and expenditures during the fiscal year 1944*

[In billions of dollars. On basis of daily Treasury statements, see p. 519]

Issues	Receipts	Expenditures	Net receipts
Public issues:			
Cash:			
Treasury bills.....	54.0	51.1	2.9
Certificates of indebtedness.....	15.3	.9	14.4
Certificates of indebtedness, special series.....	.5	.5	-----
Treasury notes.....	15.9	.9	5.0
Treasury notes, tax series and savings series.....	9.0	6.9	2.1
Treasury bonds.....	23.4	.5	22.9
United States savings bonds (including accrued discount).....	15.7	2.4	13.3
All other.....	3.9	.5	.3
Exchanges.....	18.8	18.8	-----
Special issues to trust funds, etc.....	10.4	7.0	3.4
Total.....	153.8	89.5	64.3

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Includes \$1.9 billions issued in exchange for guaranteed securities.

<sup>2</sup> Includes \$0.1 billion issued in exchange for guaranteed securities.

<sup>3</sup> Includes \$0.1 billion of excess profits tax refund bonds.

Financing operations during the year included two complete war loan drives (the Third and the Fourth War Loans) and the major portion of another (the Fifth War Loan), two offerings of securities to commercial banks for cash in periods between drives, and one cash offering not restricted as to class of subscriber; and, in addition to these, limited cash subscriptions were accepted from commercial banks for securities offered in the Fourth and Fifth War Loans but were not accounted as parts of the drives. Weekly issues of Treasury bills were awarded on the basis of competitive bidding, and, to a limited amount, by fixed price tenders; and sales of United States savings bonds and Treasury savings notes were continuous throughout the year. Four maturing Treasury or guaranteed marketable bond or note issues were redeemed for cash, and exchange offers were made with respect to 14 called or maturing issues of marketable bonds, notes, and certificates. These transactions, together with gross issues and redemptions of savings bonds and savings notes, are summarized in the following tables. Sales of securities in the three war loans conducted during the fiscal year 1944, as well as sales in the first two war loans conducted in 1943, are shown in Chart 5 on page 41. All official circulars and statements relating to the transactions in securities issued during the year are included in the exhibits beginning on page 269.

Public offerings of Treasury bonds, notes, and certificates of indebtedness,<sup>1</sup> fiscal year 1944

[In millions of dollars]

Date issued	Issue	Cash			Ex-changes	Total issues
		War loans	Other	Total		
July 12, 1943	1½% Treasury notes, Series A-1947, due Sept. 15, 1947		2,707	2,707		2,707
Aug. 2, 1943	⅞% Certificates of indebtedness, Series D-1944, due Aug. 1, 1944		2 989	989	1,556	2,545
Sept. 15, 1943	⅞% Certificates of indebtedness, Series E-1944, due Sept. 1, 1944	4,122		4,122		4,122
Sept. 15, 1943	2% Treasury bonds of Sept. 15, 1951-53	5,257		5,257		5,257
Sept. 15, 1943	2½% Treasury bonds of Dec. 15, 1964-69	3,779		3,779		3,779
Oct. 15, 1943	⅞% Certificates of indebtedness, Series F-1944, due Oct. 1, 1944		2 1,580	1,580	1,939	3,519
Oct. 15, 1943	2% Treasury bonds of Sept. 15, 1951-53 (additional issue)		2 1,627	1,627	1,102	2,729
Oct. 15, 1943	2½% Treasury bonds of Dec. 15, 1964-69 (additional issue)				59	59
Dec. 1, 1943	⅞% Certificates of indebtedness, Series G-1944, due Dec. 1, 1944				3,540	3,540
Feb. 1, 1944	⅞% Certificates of indebtedness, Series A-1945, due Feb. 1, 1945	5,036	3 11	5,048		5,048
Feb. 1, 1944	2¼% Treasury bonds of Sept. 15, 1956-59	3,331	4 396	3,728		3,728
Feb. 1, 1944	2½% Treasury bonds of Mar. 15, 1965-70	1,920	4 292	2,212		2,212
Feb. 1, 1944	0.90% Treasury notes, Series D-1945, due Mar. 1, 1945				2,127	2,127
Mar. 15, 1944	1½% Treasury notes, Series A-1948, due Sept. 15, 1948				3,748	3,748
Mar. 15, 1944	2¼% Treasury bonds of Sept. 15, 1956-59 (additional issue)				95	95
Mar. 15, 1944	2½% Treasury bonds of Mar. 15, 1965-70 (additional issue)				77	77
Apr. 1, 1944	⅞% Certificates of indebtedness, Series B-1945, due Apr. 1, 1945				4,877	4,877
May 1, 1944	⅞% Certificates of indebtedness, Series D-1945, due May 1, 1945				1,615	1,615
June 26, 1944	⅞% Certificates of indebtedness, Series C-1945, due June 1, 1945	3 3,557		3,557		3,557
June 26, 1944	1¼% Treasury notes, Series B-1947, due Mar. 15, 1947	1,286		1,286		1,286
June 26, 1944	2% Treasury bonds of June 15, 1952-54	3,704	4 503	4,207		4,207
June 26, 1944	2½% Treasury bonds of Mar. 15, 1965-70 (additional issue)	1,864	4 637	2,501		2,501
	Total marketable issues	33,858	8,742	42,600	20,734	63,333
Various	Savings bonds, Series E	7,009	4,811	11,820		11,820
Various	Savings bonds, Series F and G	2,270	1,408	3,678		3,678
Various	Savings notes, Series C	6,638	2,315	8,954		8,954
	Total	49,775	17,276	67,051	20,734	87,785

<sup>1</sup> Excludes depositary bonds and adjusted service bonds.<sup>2</sup> Offering restricted to commercial banks.<sup>3</sup> Securities sold to Treasury investment accounts concurrently with war loan, but not included in war loan quotas.<sup>4</sup> Securities sold to commercial banks and Treasury investment accounts concurrently with war loan, but not included in war loan quotas.<sup>5</sup> Excludes Fifth War Loan sales occurring in fiscal year 1945.



*Disposition of maturing or redeemable public issues of Treasury bonds, notes, and certificates of indebtedness and securities guaranteed by the United States,<sup>1</sup> fiscal year 1944*

[Dollars in millions]

Date of re-funding or redemption	Issue	Re-deemed for cash <sup>2</sup>	Ex-changed for new securities	Total	Percent ex-changed
July 15, 1943	1½% RFC notes due July 15, 1943	\$324		\$324	
Aug. 2, 1943	¾% Certificates of indebtedness, Series B-1943, due Aug. 1, 1943	53	\$1,556	1,609	97
Sept. 15, 1943	1% Treasury notes, Series C-1943, due Sept. 15, 1943	279		279	
Oct. 15, 1943	3¼% Treasury bonds of Oct. 15, 1943-45	239	1,161	1,401	83
Oct. 15, 1943	¾% Certificates of indebtedness, Series D-1943, due Nov. 1, 1943	96	1,939	2,035	95
Dec. 1, 1943	¾% Certificates of indebtedness, Series E-1943, due Dec. 1, 1943	260	3,540	3,800	93
Dec. 15, 1943	1½% Treasury notes, Series B-1943, due Dec. 15, 1943	421		421	
Feb. 1, 1944	1¾% FPHA notes, due Feb. 1, 1944	114		114	
Feb. 1, 1944	¾% Certificates of indebtedness, Series A-1944, due Feb. 1, 1944	84	2,127	2,211	96
Mar. 15, 1944	1% Treasury notes, Series B-1944, due March 15, 1944	32	483	515	94
Mar. 15, 1944	3¼% FPMC bonds of Mar. 15, 1944-64	19	76	95	80
Mar. 15, 1944	3¼% Treasury bonds of April 15, 1944-46	296	1,223	1,519	81
Mar. 15, 1944	1% RFC notes, Series W, due April 15, 1944	12	559	571	98
Mar. 15, 1944	3% HCLC bonds of May 1, 1944-52	175	604	779	78
Mar. 15, 1944	3% FPMC bonds of May 15, 1944-49	130	705	835	84
Mar. 15, 1944	¾% Treasury notes, Series A-1944, due June 15, 1944	146	270	416	65
Apr. 1, 1944	¾% Certificates of indebtedness, Series B-1944, due April 1, 1944	374	4,877	5,251	93
May 1, 1944	¾% Certificates of indebtedness, Series C-1944, due May 1, 1944	40	1,615	1,655	98
	Total marketable issues	3,096	20,734	23,830	
Various	Savings bonds, Series A-E	2,179		2,179	
Various	Savings bonds, Series F and G	192		192	
Various	Tax and savings notes, Series A, B, and C	<sup>3</sup> 6,867		<sup>3</sup> 6,867	
	Total, all issues	12,334	20,734	33,068	

<sup>1</sup> Excludes depositary bonds and adjusted service bonds.

<sup>2</sup> Includes amounts transferred to matured debt.

<sup>3</sup> Includes tax and savings notes surrendered in payment of taxes in the amount of \$6,365 millions.

### *Third War Loan*

The<sup>3</sup> Third War Loan was conducted from September 9 through October 2, 1943. For the first time commercial banks were excluded from the drive and the loan was directed wholly to the sale of United States Government securities to nonbank investors. The organization of the drive also was a departure from the First and Second War Loans (conducted in the fiscal year 1943 and described in the Annual Report of the Secretary of the Treasury for 1943) in that it was organized on a State pattern under the direction of State and local war finance committees, with a chairman in each State reporting to the War Finance Division of the Treasury Department.

The goal for the Third War Loan was \$15,000 millions, of which \$5,000 millions was the goal for individuals. Sales to investors included in the goal amounted to \$18,314 millions, an oversubscription of \$3,314 millions. Individuals exceeded their quota by \$377 millions. Sales of \$630 millions to Treasury investment accounts, which were not counted toward the goal of the drive, brought the total sum raised to \$18,944 millions. This figure is to be compared with sales to nonbank investors of \$7,860 millions in the First War Loan and of \$13,476 millions in the Second War Loan.

The seven securities offered were similar to those offered in the Second War Loan. They consisted of:

Marketable issues, all dated September 15, 1943:

¾ percent certificates of indebtedness due September 1, 1944;

2 percent Treasury bonds callable September 15, 1951, due September 15, 1953; and

2½ percent Treasury bonds callable December 15, 1964, due December 15, 1969.

Nonmarketable issues:

Savings bonds:

Series E, F, and G; and

Savings notes:

Series C.

In accordance with the policy adopted in 1942, commercial banks are not permitted to hold the 2½ percent bonds until ten years from their issue date.

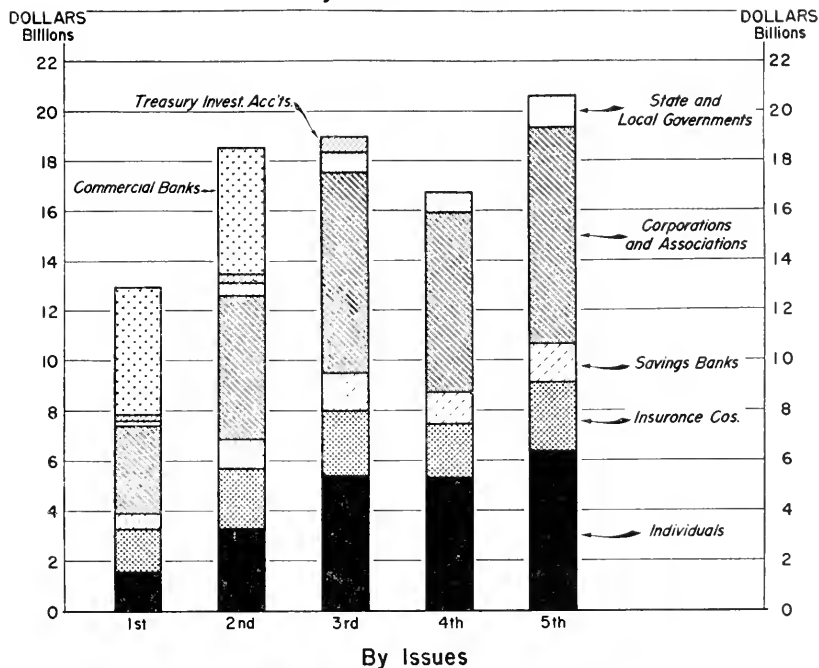
Although the three marketable securities were available only in the formal period of the drive (September 9 through October 2), sales of the four nonmarketable securities reported from September 1 through October 16 were counted toward the goal. This extended period allowed campaign workers more time for person-to-person solicitation at the beginning of the drive, and also recognized the necessity for additional time for the reporting and accounting of the great number of individual sales.

In order to give life insurance companies an opportunity to enter subscriptions in anticipation of regular receipts, payment against subscriptions by such companies to the 2 percent and 2½ percent bonds was permitted to be deferred to November 1, 1943.

Sales by investor classes, compared with the goals, and sales of each issue to each investor class are shown in the tables which follow. Sales of securities during the Third War Loan by classes of investors, by issues, and by States are shown in the tables beginning on page 671.

## SALES IN EACH WAR LOAN

## By Investor Classes



## By Issues

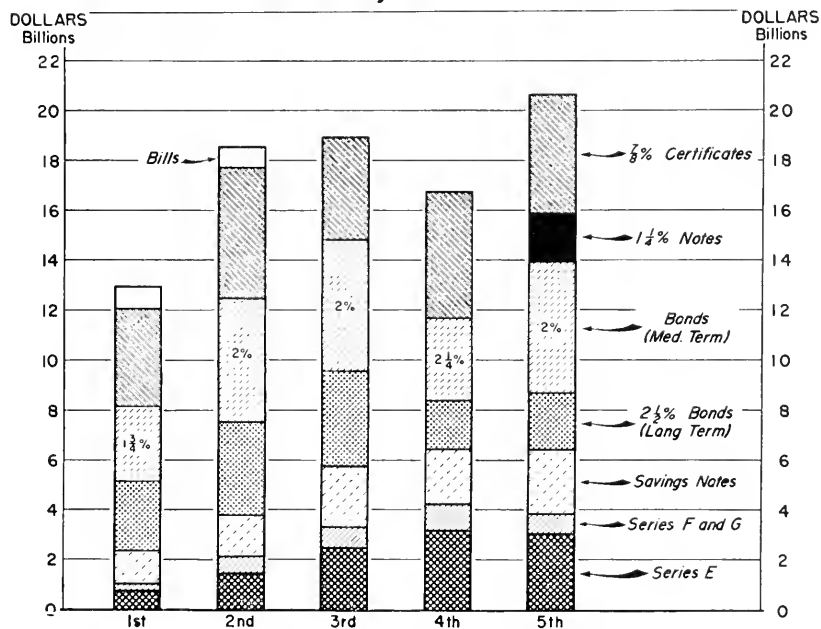


CHART 5.

*Sales of securities during the Third War Loan compared with goals by classes of investors*

[Dollars in millions. On basis of reports of sales]

Class of investor	Goal	Sales	Percent of goal attained
Individuals, partnerships, and personal trust accounts.....	\$5,000	\$5,377	108
Corporations and other investors:			
Insurance companies.....	3,000	2,620	138
Savings banks.....		1,508	
Dealers and brokers.....		894	
State and local governments <sup>1</sup> .....	6,400	795	124
Corporations and associations <sup>2</sup> .....		7,121	
Subtotal.....	10,000	12,937	129
Total sales included in goal.....	15,000	18,314	122
Treasury investment accounts <sup>3</sup> .....		630	
Total all investors.....		18,944	

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Includes their agencies and their trust, sinking, and investment funds.

<sup>2</sup> Includes eleemosynary institutions and certain United States Government corporations and credit agencies which handle their investments themselves rather than through the facilities of the Treasury Department, and whose purchases in the Third War Loan amounted to \$2 millions.

<sup>3</sup> Treasury investment accounts represent those United States Government agencies and trust funds whose investments are handled through the facilities of the Treasury Department.

*Sales of securities during the Third War Loan by classes of investors and by issues*

[In millions of dollars. On basis of reports of sales]

Class of investor	Savings bonds <sup>1</sup>		Savings notes Series C	7½% certificates of indebtedness Sept. 1, 1944	2% Treasury bonds Sept. 15, 1951-53	2½% Treasury bonds Dec. 15, 1964-69	Total
	Series E	Series F and G					
Individuals, partnerships, and personal trust accounts.....	2,472	565	193	366	1,220	561	5,377
Corporations and other investors:							
Insurance companies.....		4	1	136	894	1,585	2,620
Savings banks.....		1	(*)	119	1,032	354	1,508
Dealers and brokers.....		(*)	(*)	322	480	92	894
State and local governments <sup>2</sup> .....		30	26	376	123	235	795
Corporations and associations <sup>3</sup> .....		231	2,262	2,803	1,357	473	7,121
Total corporations and other investors.....		266	2,289	3,756	3,886	2,739	12,937
Total sales included in goal.....	2,472	831	2,483	4,122	5,106	3,300	18,314
Treasury investment accounts <sup>4</sup> .....					151	479	630
Total sales.....	2,472	831	2,483	4,122	5,257	3,779	18,944

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Less than \$500,000.

<sup>2</sup> Savings bonds are shown at issue price.

<sup>3</sup> Includes their agencies and their trust, sinking, and investment funds.

<sup>4</sup> Includes eleemosynary institutions and certain United States Government corporations and credit agencies which handle their investments themselves rather than through the facilities of the Treasury Department.

<sup>5</sup> Treasury investment accounts represent those United States Government agencies and trust funds whose investments are handled through the facilities of the Treasury Department.

### *Fourth War Loan*

The Fourth War Loan was conducted from January 18 through February 15, 1944. Its organization was essentially similar to that of the Third War Loan. Again the drive was directed exclusively to

nonbank subscribers. The goal of \$14,000 millions was exceeded by \$2,730 millions. However, sales to individuals amounted to only \$5,309 millions, as against a goal of \$5,500 millions.

The several securities offered in this loan differed significantly in only one instance from those offered in the Third Loan in that there was offered a 12-15-year bond at  $2\frac{1}{4}$  percent instead of an 8-10-year bond at 2 percent. The three marketable and the four nonmarketable securities offered were as follows:

Marketable issues, all dated February 1, 1944:

- $\frac{7}{8}$  percent certificates of indebtedness due February 1, 1945;
- $2\frac{1}{4}$  percent Treasury bonds callable September 15, 1956, due September 15, 1959; and
- $2\frac{1}{2}$  percent Treasury bonds callable March 15, 1965, due March 15, 1970.

Nonmarketable issues:

Savings bonds:

Series E, F, and G; and

Savings notes:

Series C.

All subscriptions for savings bonds, Series E, F, and G, and for savings notes reported between January 1 and February 29 were credited to the loan, to give more time to canvass individuals and to clear the funds from issuing agents through the Federal Reserve Banks.

Sales by investor classes, compared with the goals, and sales of each issue to each investor class are shown in the tables which follow.

*Sales of securities during the Fourth War Loan compared with goals by classes of investors*

[Dollars in millions. On basis of reports of sales]

Class of investor	Goal	Sales	Percent of goal attained
Individuals, partnerships, and personal trust accounts.....	\$5, 500	\$5, 309	97
Corporations and other investors:			
Insurance companies.....	2, 500	2, 141	136
Savings banks.....		1, 262	
Dealers and brokers.....	300	433	144
State and local governments <sup>1</sup> .....	5, 700	789	133
Corporations and associations <sup>2</sup> .....		6, 796	
Subtotal.....	8, 500	11, 421	134
Total all investors.....	14, 000	16, 730	120

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Includes their agencies and their trust, sinking, and investment funds.

<sup>2</sup> Includes eleemosynary institutions, and certain United States Government corporations and credit agencies which handle their investments themselves rather than through the facilities of the Treasury Department, and whose purchases in the Fourth War Loan amounted to \$49 millions.

*Sales of securities during the Fourth War Loan by classes of investors and by issues*

[In millions of dollars. On basis of reports of sales]

Class of Investor	Savings bonds <sup>1</sup>		Savings notes Series C	7½% certificates of indebtedness Feb. 1, 1945	2¼% Treasury bonds Sept. 15, 1956-59	2½% Treasury bonds Mar. 15, 1965-70	Total
	Series E	Series F and G					
Individuals, partnerships, and personal trust accounts.....	3, 187	573	183	496	517	352	5, 309
Corporations and other investors:							
Insurance companies.....		35	3	207	801	1, 095	2, 141
Savings banks.....		35	2	136	1, 028	61	1, 262
Dealers and brokers.....		(*)	(*)	266	158	8	433
State and local governments <sup>2</sup> .....		39	47	452	104	147	789
Corporations and associations <sup>3</sup> .....		341	1, 997	3, 479	722	256	6, 796
Total for corporations and other investors.....		450	2, 049	4, 540	2, 813	1, 567	11, 421
Total sales.....	3, 187	1, 024	2, 232	5, 036	3, 331	1, 920	16, 730

NOTE.—Figures are rounded and will not necessarily add to totals.

\*Less than \$500,000.

<sup>1</sup> Savings bonds are shown at issue price.<sup>2</sup> Includes their agencies and their trust, sinking, and investment funds.<sup>3</sup> Includes eleemosynary institutions and certain United States Government corporations and credit agencies which handle their investments themselves rather than through the facilities of the Treasury Department.

Further details on sales of securities during the Fourth War Loan, by classes of investors, by issues, and by States are shown in the tables beginning on page 676.

At the time the Fourth War Loan was being conducted, commercial banks holding savings deposits (as defined in Regulation Q of the Board of Governors of the Federal Reserve System) were permitted to make limited subscriptions to the 2¼ percent and the 2½ percent marketable Treasury bonds. Except as indicated below, commercial banks are not permitted to hold the 2¼ percent bonds until September 15, 1946, or to hold the 2½ percent bonds until February 1, 1954. Such banks were also permitted to subscribe to Series F and Series G savings bonds on and after January 1, 1944. Subscriptions for any or all of the four issues were restricted to an amount not to exceed, in the aggregate, 10 percent of a bank's savings deposits as shown on its books as of the date of the most recent call statement required by the supervising authorities prior to the date of subscribing for such bonds, or \$200,000, whichever was less. However, no bank may hold more than \$100,000 (issue price) of Series F and Series G savings bonds (Series 1944), combined. This latter restriction is the same as that to which other purchasers of Series F and Series G bonds are subject.

Purchases of these four securities by commercial banks holding savings deposits totaled \$623 millions during the Fourth War Loan. Such purchases were not included in Fourth War Loan quotas or credited to Fourth War Loan sales. Treasury investment accounts also purchased some of the securities offered as part of the loan, and

these too were not included in the Fourth War Loan quotas or credited to Fourth War Loan sales. The details of the securities and amounts purchased by commercial banks and by Treasury investment accounts were as follows:

Security	Commercial banks holding savings deposits	Treasury investment accounts	Total
In millions of dollars			
¾% Certificates of indebtedness, Feb. 1, 1945.....		11	11
2¼% Treasury bonds, Sept. 15, 1956-59.....	314	82	396
2½% Treasury bonds, March 15, 1965-70.....	35	257	292
Series F savings bonds.....	83		83
Series G savings bonds.....	191		191
Total.....	623	349	972

Copies of letters of the Secretary of the Treasury sent to commercial banks, large corporations, and insurance companies in connection with arrangements for the Fourth War Loan are shown beginning on page 504.

### *Fifth War Loan*

In the final month of the fiscal year 1944, the Fifth War Loan was opened. The goal was \$16,000 millions. Total sales amounted to \$20,639 millions. Marketable securities were on sale during the formal period of the drive, from June 12 through July 8, 1944. Sales of savings bonds and savings notes through June and July were counted in total subscriptions to the loan. In this summary and in all tables referring to the Fifth War Loan, the subscriptions credited to the loan in July are included, but they are excluded from all general tables referring to public debt operations for the fiscal year. Major emphasis throughout the drive was placed on the quota of \$6,000 millions for individuals, which was oversubscribed by \$351 millions.

Eight securities were offered in the Fifth War Loan. Seven issues were similar to those sold in the first four drives, and a new one, an issue of 1¼ percent Treasury notes, due March 15, 1947, was offered. The securities offered were as follows:

Marketable securities, all of which were dated June 26, 1944, except the 2½ percent bonds:

¾ percent certificates of indebtedness due June 1, 1945;

1¼ percent Treasury notes due March 15, 1947;

2 percent Treasury bonds callable June 15, 1952, due June 15, 1954; and

2½ percent Treasury bonds callable March 15, 1965, due March 15, 1970, and dated February 1, 1944. (This was a reopening of the issue sold in the Fourth War Loan.)

## Nonmarketable securities:

## Savings bonds:

Series E, F, and G; and

## Savings notes:

Series C.

During the drive, a deferred payment plan of somewhat wider scope than that offered in the Third War Loan was made available whereby life insurance companies, as well as savings institutions, State and local governmental units, and similar public corporations and agencies could have until September 30, 1944, to complete payments for subscriptions to the two issues of Treasury bonds. Subscriptions entered under these arrangements aggregated \$340 millions. These were included in the total sales of \$20,639 millions.

Sales by securities, by investor classes, and by States are shown in detail in the tables beginning on page 680. Sales by investor groups, compared with the goals, and sales of each issue to each investor class are shown in the following tables.

*Sales of securities during the Fifth War Loan compared with goals by classes of investors*

[Dollars in millions. On basis of reports of sales]

Class of investor	Goal	Sales	Percent of goal attained
Individuals, partnerships, and personal trust accounts.....	\$6,000	\$6,351	106
Corporations and other investors:			
Insurance companies.....	2,500	{ 2,769	172
Savings banks.....		{ 1,525	
Dealers and brokers.....	400	{ 533	133
State and local governments <sup>1</sup> .....	7,100	{ 1,260	133
Corporations and associations <sup>2</sup> .....		{ 8,201	
Subtotal.....	10,000	14,288	143
Total all investors.....	16,000	20,639	129

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Includes their agencies and their trust, sinking, and investment funds.

<sup>2</sup> Includes eleemosynary institutions, and certain United States Government corporations and credit agencies which handle their investments themselves rather than through the facilities of the Treasury Department and whose purchases in the Fifth War Loan amounted to \$32 millions.



*Sales of securities during the Fifth War Loan by classes of investors and by issues*

[In millions of dollars. On basis of reports of sales]

Class of investor	Savings bonds <sup>1</sup>		Savings notes Series C	7 8/10% Certificates of indebtedness June 1, 1945	13 1/4 % Treasury notes Mar. 15, 1947	2% Treasury bonds June 15, 1952-54	2 1/2 % Treasury bonds Mar. 15, 1965-70	Total
	Series E	Series F and G						
Individuals, partnerships, and personal trust accounts.....	3,036	574	181	468	353	1,322	417	6,351
Corporations and other investors:								
Insurance companies.....		7	2	170	309	924	1,357	2,769
Savings banks.....		2	(*)	84	121	1,250	68	1,525
Dealers and brokers.....			1	148	133	242	9	533
State and local governments <sup>2</sup> .....		28	120	582	119	249	163	1,260
Corporations and associations <sup>3</sup> .....		207	2,271	3,318	913	1,242	249	8,201
Total for corporations and other investors.....		244	2,394	4,302	1,595	3,907	1,846	14,288
Total sales.....	3,036	818	2,575	4,770	1,948	5,229	2,263	20,639

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>\*</sup> Less than \$500,000.<sup>1</sup> Savings bonds are shown at issue price.<sup>2</sup> Includes their agencies and their trust, sinking, and investment funds.<sup>3</sup> Includes eleemosynary institutions and certain United States Government corporations and credit agencies which handle their investments themselves rather than through the facilities of the Treasury Department.

As was the practice in the Fourth War Loan, purchases by Treasury investment accounts and the limited purchases allowed commercial banks concurrently with the drive were excluded from both goals and sales attributable to the Fifth War Loan. Commercial banks were permitted to subscribe to the 2 percent and 2½ percent bonds offered in the drive, as well as to Series F and G savings bonds, up to 20 percent of the combined amount of savings deposits and time certificates of deposit of individuals and nonprofit corporations or associations (as of the most recent call statement prior to the date of subscribing for the bonds) but not more than \$400,000 for any one bank. This limit, however, was cumulative, and included any previous subscriptions a bank might have entered, for its own account, for Series F or G savings bonds since January 1, 1944, or for 2¼ percent and 2½ percent Treasury bonds offered during the Fourth War Loan. Purchases of Series F and Series G bonds remained subject to the \$100,000 annual limit referred to in connection with the Fourth War Loan. Except for the limited investment of time and savings deposits as defined above, commercial banks may not hold the 2½ percent bonds until February 1, 1954.

The securities and amounts purchased by commercial banks and by Treasury investment accounts were as follows:

Security	Commercial banks holding savings deposits and issuing time certificates	Treasury investment accounts	Total
In millions of dollars			
2% Treasury bonds, June 15, 1952-54.....	599		599
2½% Treasury bonds, March 15, 1965-70.....	53	593	646
Series F savings bonds.....	39		39
Series G savings bonds.....	74		74
Total.....	765	593	1,358

A copy of the letter of the Secretary of the Treasury sent to commercial banks in connection with arrangements for the Fifth War Loan is shown on page 506.

### *United States savings bonds*

*Savings bond sales.*—Total sales of savings bonds during the fiscal year 1944 amounted to \$15,498 millions, issue price. This reflected an increase of \$3,709 millions over sales in 1943. As of June 30, 1944, the current redemption value of United States savings bonds outstanding, including those sold before 1944, amounted to \$34,606 millions. This amount was 17.2 percent of the public debt outstanding, as compared with 15.5 percent a year earlier. Savings bonds were sold in 1944 in greater volume than in any earlier year, continuing to absorb funds which otherwise might have contributed to the inflationary pressure on price levels and made the task of economic stabilization more difficult. More information on savings bonds, by series, from March 1935, the month when savings bonds (Series A) were first sold, through June 30, 1944, is contained in the tables beginning on page 684. Sales of savings bonds, Series E, F, and G, those issued throughout the war period, are shown by series in the following table and in Chart 6 on page 49.

*Sales of Series E, F, and G savings bonds, fiscal years 1941 through 1944 and by months for the fiscal year 1944*

[In millions of dollars. On basis of daily Treasury statements, see p. 519]

Period	Series E	Series F	Series G	Total
By fiscal years:				
1941 (May and June).....	203	67	395	664
1942.....	3,526	435	2,032	5,993
1943.....	8,271	758	2,759	11,789
1944.....	11,820	802	2,876	15,498
By months:				
1943—July.....	683	38	169	890
August.....	661	28	112	802
September.....	1,400	139	387	1,927
October.....	1,340	93	275	1,708
November.....	665	23	109	798
December.....	728	24	101	853
1944—January.....	1,085	127	487	1,698
February.....	2,102	157	522	2,781
March.....	576	23	110	709
April.....	606	19	114	739
May.....	624	15	111	751
June.....	1,350	115	377	1,842

NOTE.—Figures are rounded and will not necessarily add to totals.

# SALES, REDEMPTIONS AND AMOUNTS OUTSTANDING OF UNITED STATES SAVINGS BONDS MONTHLY JULY 1942 THROUGH JUNE 1944

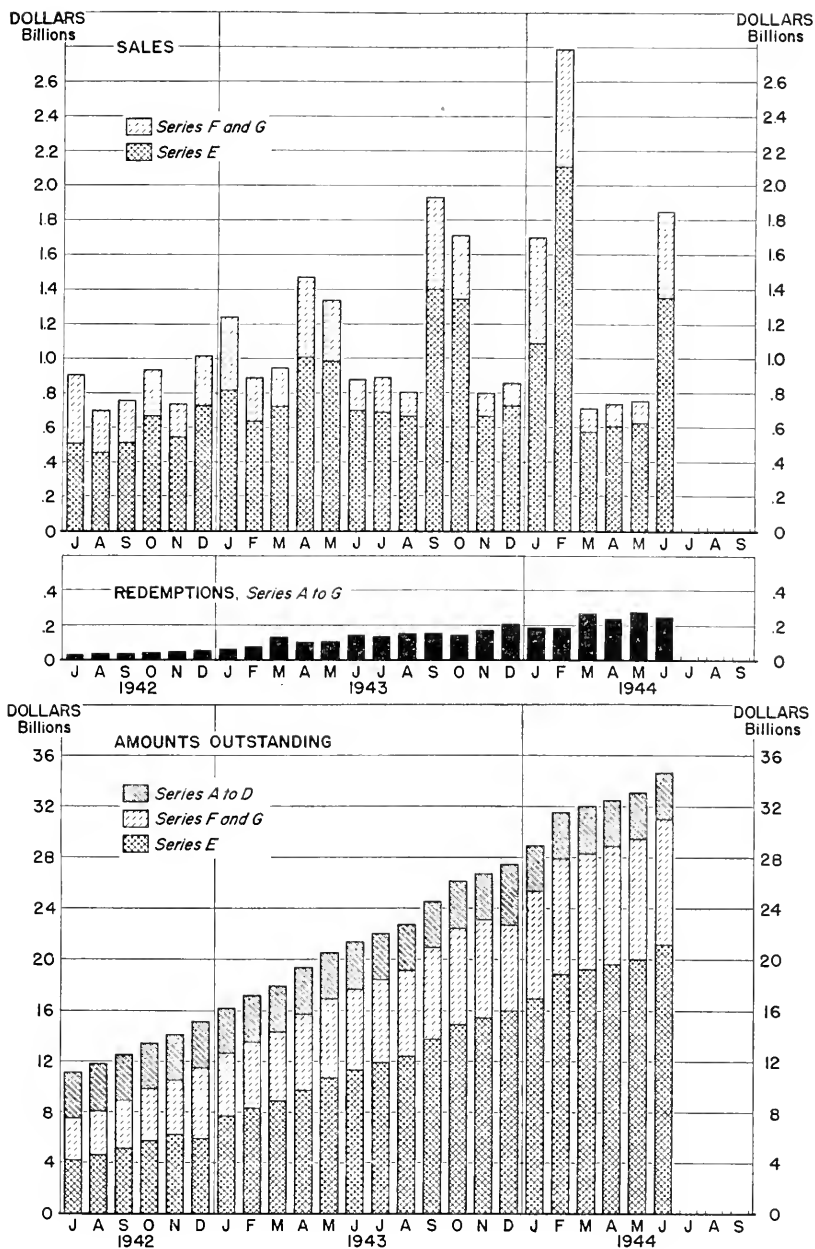


CHART 6.

Most of the increase in sales of savings bonds is accounted for by Series E. The dollar volume of sales and the number of units sold of Series E bonds of each denomination in the fiscal years 1941 through 1944 and by months for 1944 are shown in the following table. Chart 7 shows this information by months from July 1942 through June 1944.

*Sales of Series E war savings bonds of each denomination, fiscal years 1941 through 1944 and by months for the fiscal year 1944*

[Sales by denominations estimated on basis of total deposits as reported by Treasurer of the United States]

Period	Denomination					
	\$25	\$50	\$100	\$500	\$1,000	Total
Issue price of bonds sold (in millions)						
By fiscal years:						
1941 (May and June).....	\$14	\$13	\$41	\$41	\$93	\$203
1942.....	616	342	813	637	1,119	3,526
1943.....	2,988	1,081	1,714	1,007	1,481	8,271
1944.....	4,149	1,642	2,584	1,397	2,048	11,820
By months:						
1943—July.....	290	99	129	67	97	683
August.....	291	102	126	60	83	661
September.....	377	159	340	221	304	1,400
October.....	394	174	335	190	247	1,340
November.....	303	108	127	54	72	665
December.....	329	117	140	60	81	728
1944—January.....	343	141	225	135	241	1,085
February.....	549	247	509	312	485	2,102
March.....	274	103	125	30	44	576
April.....	291	107	108	40	60	606
May.....	306	111	111	40	56	624
June.....	402	174	309	187	278	1,350
Number of bonds sold (in thousands)						
By fiscal years:						
1941.....	767	353	552	108	125	1,905
1942.....	32,832	9,107	10,837	1,698	1,493	55,967
1943.....	159,369	28,828	22,851	2,686	1,975	215,709
1944.....	221,284	43,800	34,447	3,725	2,730	305,986
By months:						
1943—July.....	15,484	2,646	1,722	179	129	20,161
August.....	15,508	2,722	1,675	160	110	20,175
September.....	20,081	4,236	4,535	588	406	29,845
October.....	21,029	4,633	4,466	507	329	30,964
November.....	16,162	2,888	1,698	145	97	20,989
December.....	17,530	3,132	1,867	161	108	22,798
1944—January.....	18,291	3,756	2,995	361	321	25,723
February.....	29,272	6,600	6,782	832	647	44,133
March.....	14,629	2,744	1,670	79	58	19,180
April.....	15,534	2,845	1,434	108	80	20,001
May.....	16,314	2,955	1,483	106	75	20,933
June.....	21,450	4,645	4,120	498	370	31,083

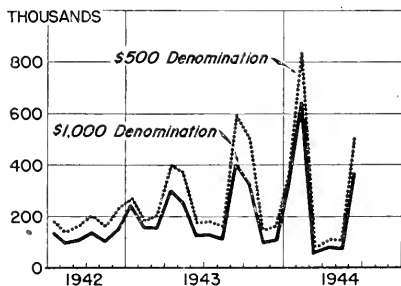
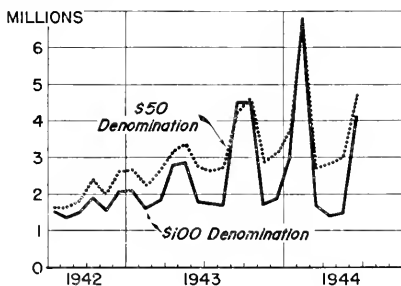
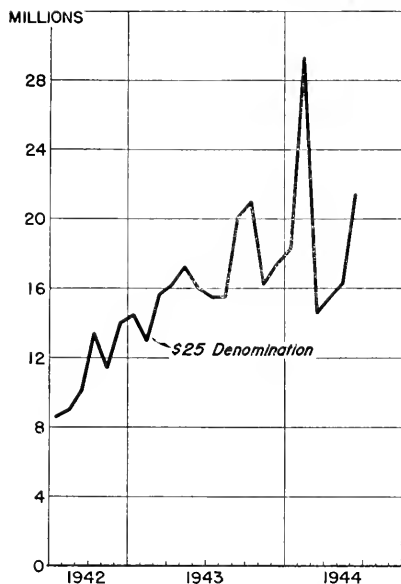
NOTE.—Figures are rounded and will not necessarily add to totals.

Continued advancement of the payroll savings plan contributed substantially to the aggregate increase in sales of war savings bonds. Sales of Series E bonds under this plan during the fiscal year amounted to more than \$5.5 billions, or about 47 percent of the total amount of all Series E bonds sold during the year.

## SALES OF SERIES E SAVINGS BONDS BY DENOMINATIONS

MONTHLY JULY 1942 THROUGH JUNE 1944

## A. NUMBER OF PIECES



## B. DOLLAR VALUE AT ISSUE PRICE

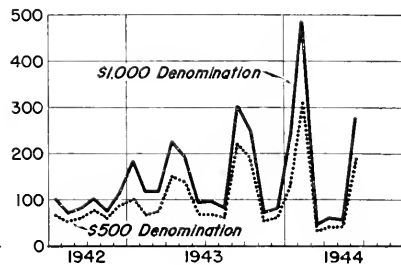
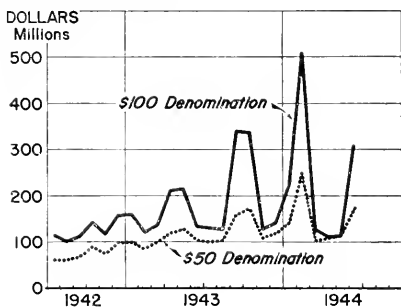
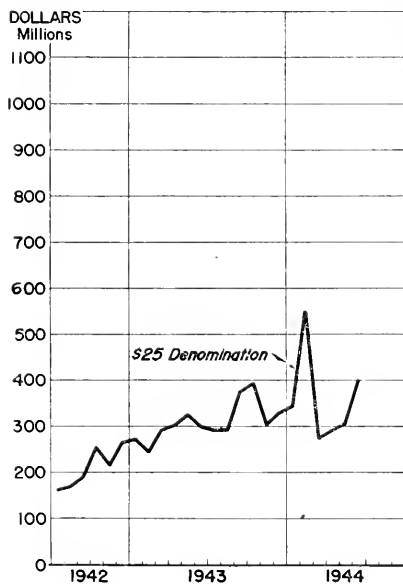


CHART 7.

Chart 8 on page 53 summarizes the growth of the plan since its beginning in the latter part of the calendar year 1941. The following table shows the extent of participation in the plan monthly during the fiscal year 1944. A tendency will be noted for the amount of payroll deductions to be somewhat higher during war loan months than the average of monthly deductions during the year, as, for example, in January and June 1944. This reflects the authorization by employees of supplementary deductions during drives. Further data may be found in the table on page 698 of this report.

*Extent of participation in payroll savings plan, monthly, fiscal year 1944*

[Estimated on basis of reports from companies and governmental agencies]

Month	Number of persons participating <sup>1</sup>	Total pay of participants	Total amount deducted	Percent of participants' pay deducted
	<i>Millions</i>	<i>Millions of dollars</i>	<i>Millions of dollars</i>	
1943—July.....	26.6	4,615	420	9.1
August.....	26.4	4,589	413	9.0
September.....	26.4	4,628	435	9.4
October.....	26.4	4,892	455	9.3
November.....	26.6	4,783	440	9.2
December.....	26.8	4,947	470	9.5
1944—January.....	27.1	4,847	475	9.8
February.....	27.3	4,844	465	9.6
March.....	27.5	5,082	498	9.8
April.....	27.3	4,897	475	9.7
May.....	27.2	4,842	460	9.5
June.....	27.6	5,094	540	10.6

<sup>1</sup> Includes employees of Federal, State, and local governments, and members of the armed forces.

Included among the firms having the payroll savings plan in operation at the end of the fiscal year were 99 percent of the firms with 500 or more employees and 94 percent of those with 100 to 500 employees. The persons employed by these firms represented about 85.4 percent of the total employees of business and industry in the country at the end of the fiscal year.

Sales of Series F and G savings bonds increased at a more moderate rate than sales of Series E bonds during the year. On June 30, 1944, Series F bonds outstanding amounted to \$1,996 millions, at current redemption values, and Series G bonds amounted to \$7,861 millions, at issue price. This was a net increase, for the two series combined, of \$3,495 millions over the amount outstanding on June 30, 1943. As noted previously, beginning January 1, 1944, commercial banks were permitted to purchase Series F and G bonds in a limited amount determined by their savings deposits, subject also to the annual purchase limit of \$100,000 of the two series combined, to which all subscribers are subject. Purchases of Series F savings bonds under this authorization amounted to \$111 millions through June 30, 1944, and purchases of Series G bonds to \$247 millions.

*Savings bond redemptions.*—United States savings bonds are the key-stone of the Treasury's program to absorb the small savings of in-

# PARTICIPATION IN PAYROLL SAVINGS PLAN MONTHLY DECEMBER 1941 THROUGH JUNE 1944

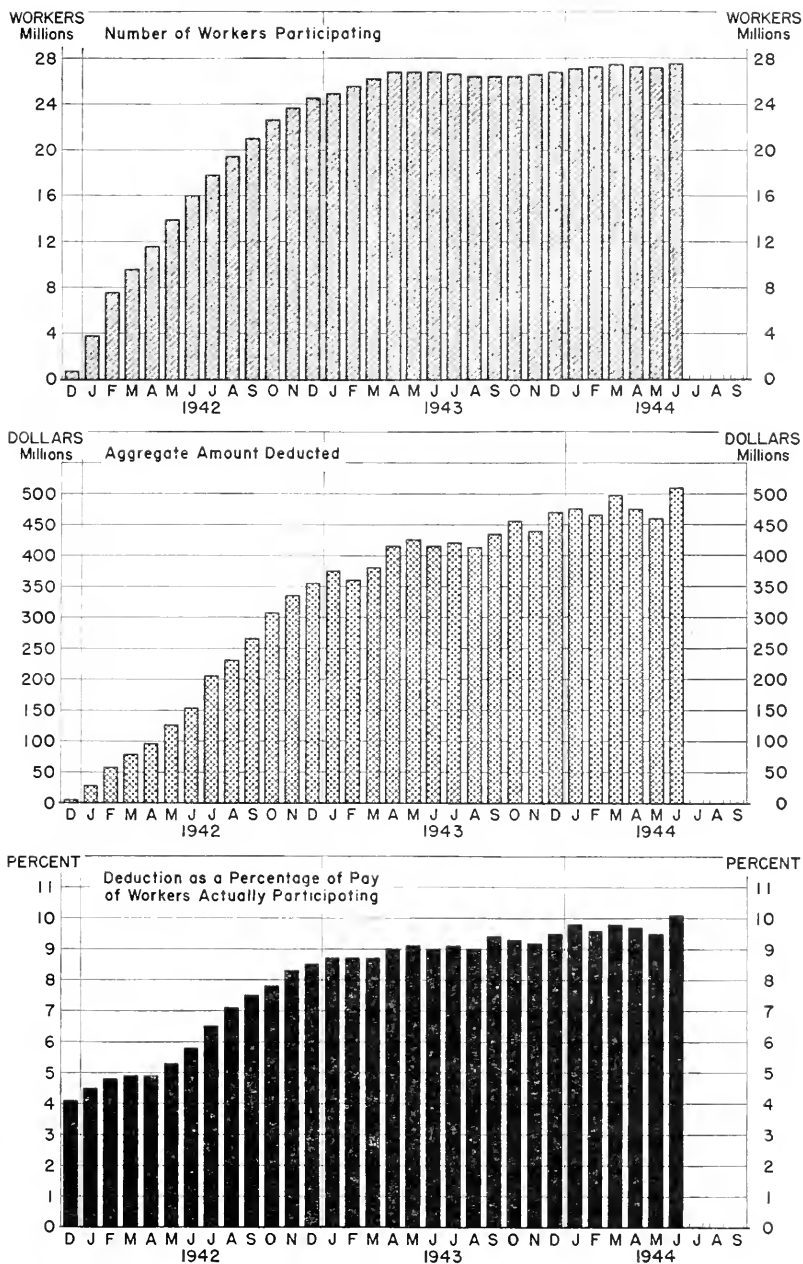


CHART 8.

dividuals, which is part of the broader program of economic stabilization. The success of this program requires, at the present time, that savings bonds be retained by their purchasers. There is every reason to believe that, on the whole, this has been done, and that most of those redemptions which have occurred were the result of personal emergencies which would have required the liquidation of savings in whatever forms they might have been held.

Redemptions of all series of savings bonds during the fiscal year amounted to \$2,371 millions, including accrued discount. The table following shows redemptions for all series annually from 1941 through 1944, and for 1944 by months.

*Redemptions of savings bonds, fiscal years 1941 through 1944, and by months  
for the fiscal year 1944*

[In millions of dollars at current redemption value. On basis of daily Treasury statements, see p. 519]

Period	Series A-D	Series E	Series F	Series G	Total
By fiscal years:					
1941.....	148	(*)	(*)	1	148
1942.....	133	60	3	12	207
1943.....	88	689	17	55	848
1944.....	79	2,100	58	134	2,371
By months:					
1943—July.....	7	120	3	8	138
August.....	7	134	4	7	152
September.....	7	137	3	9	155
October.....	6	125	3	9	144
November.....	6	150	5	10	170
December.....	6	186	5	10	207
1944—January.....	7	164	5	13	188
February.....	7	161	6	11	185
March.....	7	241	7	14	268
April.....	7	213	5	13	237
May.....	7	256	6	16	279
June.....	6	220	6	15	248

NOTE.—Figures are rounded and will not necessarily add to totals.

\*Less than \$500,000.

Cumulative sales of savings bonds, Series E, F, and G, including accruals, and redemptions, at current redemption values, are compared in Chart 9 on page 55. Between May 1, 1941, when Series E, F, and G bonds were first issued, and June 30, 1944, sales of these series amounted to \$34,108 millions, including accrued discount of \$164 millions. Redemptions in the same period amounted to \$3,127 millions, or about 9.2 percent of sales. Thus, nearly 91 percent of Series E, F, and G bonds sold were still outstanding on June 30, 1944.

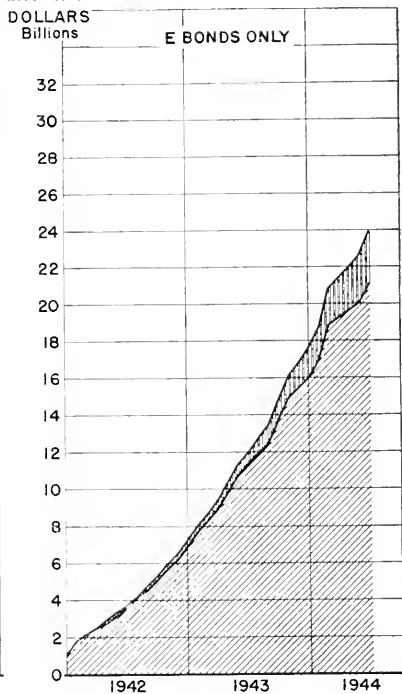
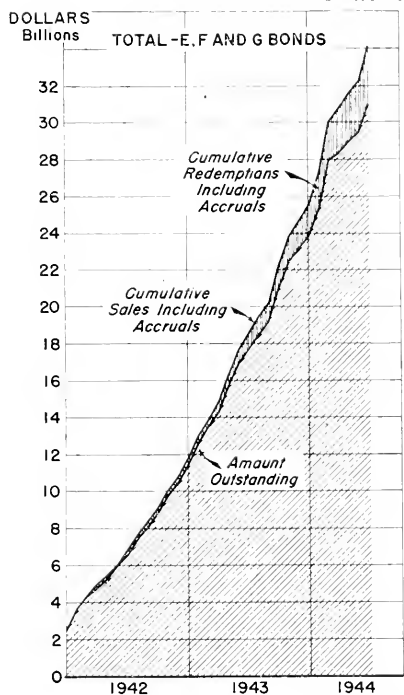
Sales of Series E war savings bonds between May 1, 1941, and June 30, 1944, amounted to \$23,973 millions, including accrued discount of \$153 millions. Redemptions in the same period amounted to \$2,849 millions, or 11.9 percent. Therefore, 88.1 percent of the original sales of this series were still held by the original purchasers. This compares with 93.8 percent so held a year earlier.



# SALES OF SAVINGS BONDS COMPARED WITH REDEMPTIONS

## MONTHLY JANUARY 1942 THROUGH JUNE 1944

### Dollar Amounts



### Percent Still Outstanding

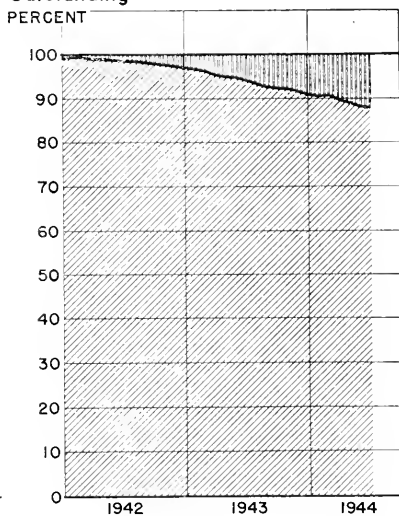
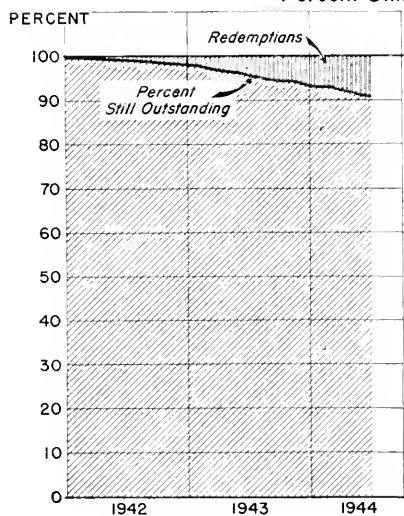


CHART 9.

Cumulative sales of Series F bonds between May 1, 1941 and June 30, 1944, amounted to \$2,073 millions, including \$12 millions of accrued discount, while cumulative redemptions were \$78 millions. Comparable figures for Series G savings bonds are sales of \$8,062 millions and redemptions of \$201 millions. Thus, about 96.3 percent of Series F bonds and 97.5 percent of Series G bonds remained outstanding at the end of the fiscal year.

Detailed information on cumulative sales and redemptions of Series E bonds, by denomination, and of Series F and G bonds, without regard to denomination, is contained in the table following.

*Cumulative sales of Series E, F, and G savings bonds compared with cumulative redemptions, selected months from December 1941 to June 1944*

Sales including accruals and redemptions at current redemption value, in millions of dollars. Denominations estimated on basis of total deposits and redemptions, respectively, as reported by Treasurer of the United States]

	1941	1942		1943		1944
	December	June	December	June	December	June
<b>SERIES E</b>						
\$25 denomination:						
Cumulative sales.....	113.9	630.4	1,886.6	3,630.7	5,632.4	7,826.2
Cumulative redemptions.....	1.1	10.7	90.5	419.6	938.4	1,649.8
Percent outstanding.....	99.0%	98.3%	95.2%	88.4%	83.3%	78.9%
\$50 denomination:						
Cumulative sales.....	93.2	355.0	807.0	1,440.4	2,206.6	3,100.6
Cumulative redemptions.....	0.7	5.2	22.2	91.9	210.6	399.0
Percent outstanding.....	99.2%	98.5%	97.3%	93.6%	90.5%	87.1%
\$100 denomination:						
Cumulative sales.....	258.4	854.5	1,598.8	2,575.0	3,781.6	5,183.0
Cumulative redemptions.....	2.4	13.1	36.7	97.0	196.1	362.4
Percent outstanding.....	99.1%	98.5%	97.7%	96.2%	94.8%	93.0%
\$500 denomination:						
Cumulative sales.....	229.4	677.8	1,086.3	1,689.0	2,346.6	3,097.9
Cumulative redemptions.....	2.4	11.0	26.0	53.6	99.6	174.0
Percent outstanding.....	99.0%	98.4%	97.6%	96.8%	95.8%	94.4%
\$1,000 denomination:						
Cumulative sales.....	449.7	1,213.2	1,764.9	2,700.1	3,590.6	4,765.7
Cumulative redemptions.....	4.5	20.1	44.9	86.6	155.8	263.0
Percent outstanding.....	99.0%	98.3%	97.5%	96.8%	95.7%	94.5%
All denominations:						
Cumulative sales.....	1,144.7	3,730.8	7,143.6	12,035.3	17,557.7	23,973.4
Cumulative redemptions.....	11.1	60.0	220.3	748.6	1,600.5	2,848.5
Percent outstanding.....	99.0%	98.4%	96.9%	93.8%	90.9%	88.1%
<b>SERIES F</b>						
All denominations:						
Cumulative sales.....	207.7	501.8	861.3	1,262.2	1,610.9	2,073.3
Cumulative redemptions.....	0.4	2.9	7.4	19.9	42.2	77.6
Percent outstanding.....	99.8%	99.4%	99.1%	98.4%	97.4%	96.3%
<b>SERIES G</b>						
All denominations:						
Cumulative sales.....	1,184.9	2,426.6	3,700.9	5,186.1	6,340.8	8,061.7
Cumulative redemptions.....	2.1	12.4	31.5	66.9	120.3	200.9
Percent outstanding.....	99.8%	99.5%	99.1%	98.7%	98.1%	97.5%

NOTE.—Figures are rounded and will not necessarily add to totals.

Redemptions of the smaller denominations of Series E bonds constitute a larger proportion of accumulated sales of these denominations than do redemptions of the larger denominations. As of June 30, 1944, about 21 percent of the \$25 Series E bonds had been redeemed, as compared with about 12 percent of all Series E bonds. Redemptions

of \$50 Series E bonds in relation to sales, amounting to about 13 percent, were not greatly different from redemptions of all denominations of Series E bonds combined. Redemptions of bonds of \$100, \$500, and \$1,000 denominations were a smaller proportion of the cumulative sales than redemptions of all denominations, and exhibited very little variation as between these denominations. A relatively larger volume of redemptions in the small denominations is, of course, to be expected. Individuals with small incomes who purchase bonds in small units are less likely than individuals with large incomes who purchase bonds in large units to have other liquid savings on which they can draw in emergencies. There is also the possibility, although it is not capable of statistical demonstration, that individuals who find it necessary to liquidate their holdings of savings bonds cash their smaller denomination bonds before cashing bonds of larger denominations, and there is the probability that the majority of personal financial emergencies involve relatively small sums.

The table which follows compares redemptions of all series of United States savings bonds with the amounts outstanding, annually for the last four fiscal years, and monthly during the fiscal year 1944.

*Redemptions of all series of savings bonds as percent of amount outstanding, fiscal years 1941 through 1944 and by months for the fiscal year 1944*

[Dollars in millions. On basis of daily Treasury statements, see p. 519]

Period	Redemptions <sup>1</sup> during year or month	Amount out- standing <sup>1</sup> at end of year or month	Redemptions as percent of amount out- standing
By fiscal years:			
1941.....	\$148	\$4,314	3.43
1942.....	207	10,188	2.04
1943.....	848	21,256	3.99
1944.....	2,371	34,606	6.85
By months:			
1943—July.....	138	22,030	.63
August.....	152	22,694	.67
September.....	155	24,478	.63
October.....	144	26,056	.55
November.....	170	26,697	.64
December.....	207	27,363	.76
1944—January.....	188	28,901	.65
February.....	185	31,515	.59
March.....	268	31,974	.84
April.....	237	32,497	.73
May.....	279	32,987	.85
June.....	248	34,606	.72

NOTE.—Dollar figures are rounded and will not necessarily add to totals.

<sup>1</sup> At current redemption values, except Series G bonds which are valued at par.

In view of the predominance of Series E savings bonds and of the special importance of their redemption for the problem of economic stabilization, it may be of interest also to note particularly the monthly trend of Series E bond redemptions. While the percentage of redemptions to total amounts outstanding increased during the fiscal year 1944, in no month did the rate reach the peak of 1.31 percent reached in March 1943. The following table shows the ratio of Series E savings bond redemptions to the amount of E bonds outstanding by months in the past three fiscal years.

*Percentage of Series E war savings bond redemptions to total amount outstanding by months in the fiscal years 1942, 1943, and 1944*

Month	Fiscal year 1942	Fiscal year 1943	Fiscal year 1944
	Percent		
July.....	0.14	0.36	1.01
August.....	.21	.41	1.08
September.....	.30	.44	1.00
October.....	.33	.49	.84
November.....	.32	.51	.97
December.....	.27	.63	1.17
January.....	.16	.65	.97
February.....	.21	.76	.85
March.....	.37	1.31	1.26
April.....	.35	.89	1.09
May.....	.32	.81	1.25
June.....	.33	1.11	1.04

The table following shows the cumulative redemption experience of savings bonds, by years from issue date, for bonds of Series A through Series E issued before our entry into the war, which were purchased mainly for their investment characteristics, and for Series E bonds issued in 1942 and 1943, which were purchased for patriotic motives as well. Redemption experience of Series F and G bonds combined is also shown.

*Percent of sales of savings bonds of each denomination redeemed by the end of various yearly periods through June 30, 1944*

[On basis of Public Debt accounts, see p. 519]

Denomination	Percent of bonds issued through Dec. 31, 1941, Series A to E, redeemed by end of—								
	1 year (1935-41 Series)	2 years (1935-41 Series)	3 years (1935-41 Series)	4 years (1935-40) Series)	5 years (1935-39 Series)	6 years (1935-38 Series)	7 years (1935-37 Series)	8 years (1935-36 Series)	9 years (1935 Series)
	Percent								
\$25.....	10	18	24	30	35	38	41	43	43
\$50.....	8	15	20	26	31	35	39	41	40
\$100.....	7	14	19	24	29	33	36	38	38
\$500.....	6	12	16	21	25	28	31	33	33
\$1,000.....	4	8	12	15	18	21	24	25	27
All denominations.....	5	10	14	18	21	24	27	29	31

Denomination	Percent of Series E bonds issued from Jan. 1, 1942, redeemed by the end of—		Percent of Series F and G bonds issued from May 1, 1941, redeemed by the end of—		
	1 year (1942-43 Series)	2 years (1942 Series)	1 year (1941-43 Series)	2 years (1941-42 Series)	3 years (1941 Series)
	Percent				
\$25.....	21	26	12	14	(1)
\$50.....	12	16	(2)	(2)	(2)
\$100.....	6	10	1	4	6
\$500.....	5	8	1	4	6
\$1,000.....	5	8	1	4	6
\$5,000.....	(2)	(2)	2	4	5
\$10,000.....	(2)	(2)	1	4	5
All denominations.....	12	15	1	4	5

NOTE.—The percentages shown in this table are the proportions of the value of the bonds sold in any calendar year which are redeemed before July 1 of the next calendar year, and before July 1 of succeeding calendar years. The percentages for each annual series have been calculated separately; the composite percentages shown above are simple averages of the percentages for each annual series.

\* This denomination offered in Series F only. Sales and redemptions of the 1941 series in this denomination have been excluded from the computation of the percentages of \$25 bonds redeemed because such bonds were available for less than a month in 1941.

† These denominations not offered.

The table shows a gradual increase in the cumulative proportion of bonds redeemed with the increase in the number of years that a particular annual series has been outstanding. Thirty-one percent of the 1935 series had been redeemed at the end of 9 years. The table also shows that redemptions of Series E bonds issued from January 1, 1942, have been considerably higher during the first two years of their currency than in the case of the pre-war issues of Series A-E bonds—cumulative redemptions at the end of two years amounting to 15 percent as compared with 10 percent for the average of the pre-war issues. This increase has been entirely accounted for by redemptions of \$25 and \$50 bonds, as redemptions of bonds of \$100 and higher denominations have been slightly lower in the case of bonds issued since our entry into the war than in the case of those issued previously. Redemptions of Series F and G bonds have been much lower than those of Series A-E bonds irrespective of date of issuance.

*Issuing agents for war savings bonds.*—At the end of the fiscal year there were 54,454 agents qualified to issue Series E war savings bonds, an increase of over 3,000 since June 1943. These figures include a small number of subagents and branches of issuing agencies.

An increasing number of nonfinancial corporations have qualified as issuing agents in order that bond deliveries may be made more rapidly to their employees. Postoffice issuing agents continued to increase during the year, in part as a result of changes in classifications of post offices from a lower to a higher class, and partly in response to the demand for a larger number of readily available outlets for sales to small investors.

The following table shows the number and types of issuing agents in June 1944, and quarterly for the preceding year.

*Number of agents qualified to issue Series E savings bonds, on quarterly dates from June 1943 through June 1944, classified*

Classification	1943			1944	
	June	September	December	March	June
Commercial and savings banks <sup>1</sup> .....	15,342	15,336	15,298	15,304	15,244
Building and loan associations.....	3,684	3,674	3,648	3,640	3,587
Credit unions.....	2,753	2,719	2,685	2,645	2,347
Other corporations <sup>1</sup> .....	9,240	9,472	9,679	9,929	10,266
Total other than post offices.....	31,019	31,201	31,310	31,518	31,444
Post offices.....	20,140	21,040	22,702	22,955	23,010
Grand total.....	51,159	52,241	54,012	54,473	54,454

<sup>1</sup> Includes a number of subagents and branches of issuing agencies.

*New denomination of E bonds.*—On June 7, 1944, the issuance of a \$10 maturity value, Series E United States savings bond was authorized for sale exclusively to members of the armed forces through such agencies as the Secretary of War and the Secretary of the Navy provide within their respective agencies.

*War savings stamps*

Sales of war savings stamps for the fiscal year totaled \$409 millions, while redemptions amounted to \$426 millions. Of the amount redeemed, \$353 millions, or 83 percent, were exchanged for United States savings bonds. A balance of \$197 millions was outstanding at the end of the fiscal year. Data on sales and redemptions of savings stamps from May 1, 1941, through June 30, 1944, are shown in the tables beginning on page 699.

*Treasury notes: tax series and savings series*

Sales of Series C Treasury savings notes during the fiscal year ended June 30, 1944, amounted to \$8,954 millions. Redemptions of Series C notes during the year amounted to \$5,970 millions. Maturities and redemptions of Series A and B tax savings notes brought the total redemptions of tax series and savings series Treasury notes to \$6,867 millions, of which \$6,365 millions, or 93 percent, were applied to the payment of taxes. Tax savings notes of Series A-1943, A-1944, B-1943, and B-1944, matured during the fiscal year. There remained outstanding at the end of the fiscal year unmatured tax notes of Series A-1945 in the amount of \$109 millions. No Series A tax savings notes were offered during the fiscal year, the occasion for their issuance having ceased when the Current Tax Payment Act became effective. Series B notes were superseded during the previous year by Series C notes.

On July 27, 1943, the requirement of 30 days' notice for the redemption for cash of Series C Treasury savings notes was eliminated by Department Circular No. 696. An amendment, dated October 4, 1943, to Department Circular No. 695 removed the maximum limitation of \$5,000 par value on the amount of Series A tax savings notes which could be used by each taxpayer in payment of each class of tax (income, estate, or gift) during a single taxable year. By the first of these changes, Series C notes were converted into a more liquid short-term investment instrument, suitable for accumulation either of corporation tax reserves, or of other liquid reserves including reserves set aside for post-war reconversion. The second of these two changes was designed to facilitate the final liquidation of Series A notes and to avoid imposing unnecessary inconvenience upon holders of such notes who might have acquired them in anticipation of tax liabilities which are now discharged by withholding. Amendments to the circulars referred to above are shown beginning on page 336 of this report.

*Treasury bills*

Offerings of Treasury bills were made each week during the year; 43 issues were for a term of 91 days, 7 issues were for a term of 92

days, and 2 issues were for a term of 90 days. The amount of the weekly offerings was \$1,000 millions at the start of the year, but was increased to \$1,200 millions for the last 8 issues of the year. The 13 issues outstanding at the beginning of the year totaled \$11,864 millions; the 13 issues outstanding at the end of the year totaled \$14,734 millions. Of the 52 issues offered during the year, all were sold at a positive average rate of discount, the average rate on all bills issued during the year being 0.375 percent. Owing to the continuing influence of a posted buying rate of  $\frac{3}{4}$  of 1 percent established at the Federal Reserve Banks, pursuant to directions of the Federal Open Market Committee on April 30, 1942, there was little fluctuation in the rate from week to week.

As mentioned in last year's annual report, announcement was made on May 6, 1943, that in the interest of a wider distribution of Treasury bills, offerings, beginning with the issue dated May 12, 1943, and thereafter until further notice, would include provision for the receipt of tenders for \$100,000 or less from any one bidder at a fixed price of \$99.905 per \$100 face value, in addition to the conventional bidding on a competitive basis. This provision was contained in all offerings of Treasury bills during the fiscal year 1944. Bids on a fixed price basis averaged about \$62 millions a week during the year ended June 30, 1944, and amounted in the aggregate to about 6 percent of all bids accepted.

Further information concerning Treasury bills will be found in the exhibits beginning on page 311, and in the table on page 655.

#### *Market financing outside of war loan drives*

Three market offerings of Treasury securities other than bills were made for cash during the year, independently of the war loan drives discussed above. The first of these was an issue of  $1\frac{1}{2}$  percent Treasury notes dated July 12, 1943, and maturing September 15, 1947. Subscription books for this offering were opened on June 28, 1943, and remained open for 2 days. Of cash subscriptions totaling \$19,544 millions, \$2,707 millions were allotted and issued.

In connection with the refunding of an issue of certificates of indebtedness, due August 1, 1943, and outstanding in the amount of \$1,609 millions, cash subscriptions were accepted, from commercial banks only, for an additional \$900 millions, or thereabouts, of the securities offered in exchange— $\frac{3}{4}$  percent 1-year certificates of indebtedness, due August 1, 1944. Books for the cash portion of this offering were opened on July 22, 1943, and closed the same day. Of cash subscriptions from banks amounting to \$5,484 millions, \$989 millions were allotted and issued.

Following the Third War Loan, and in accordance with an announcement made at the time the terms of the Third War Loan securities

were made public, there were offered, on October 6, 1943, for the exclusive subscription of commercial banks, an issue of about \$1,500 millions of  $\frac{7}{8}$  percent certificates of indebtedness dated October 15, 1943, and maturing October 1, 1944, which were also offered at the same time in exchange for  $\frac{7}{8}$  percent certificates of indebtedness maturing November 1, 1943; and a like amount of the 2 percent Treasury bonds of 1951-53 which were originally issued in connection with the Third War Loan. Cash subscriptions to the certificates of indebtedness amounted to \$5,386 millions, of which \$1,580 millions were allotted. Cash subscriptions to the 2 percent bonds amounted to \$5,531 millions, of which \$1,627 millions were allotted.

No other cash offerings of marketable securities, other than bills, were made during the year except those made contemporaneously with, but not as part of, the Fourth and Fifth War Loan drives, for the limited investment of time deposits of commercial banks and for the convenience of Treasury investment accounts. The results of these offerings have been described already in the discussion of the Fourth and Fifth War Loans.

Two issues of Treasury notes, an issue of Reconstruction Finance Corporation notes, and an issue of Federal Public Housing Authority notes matured during the year and were paid off in cash. The essential details of these transactions are shown in the following table.

Maturing issue	Amount
	<i>In millions of dollars</i>
1 $\frac{5}{8}$ % Reconstruction Finance Corporation notes due July 15, 1943.....	324
1% Treasury notes due Sept. 15, 1943.....	279
1 $\frac{5}{8}$ % Treasury notes due Dec. 15, 1943.....	421
1 $\frac{3}{8}$ % Federal Public Housing Authority notes due Feb. 1, 1944.....	114
Total.....	1,139

NOTE.—Figures are rounded and will not necessarily add to totals.

Six issues of certificates of indebtedness matured during the fiscal year ended June 30, 1944, and were refunded into new issues of certificates of indebtedness or, in one case, into a short note. These transactions are summarized in the table below.

*Disposition of maturing certificates of indebtedness during the fiscal year 1944*  
(Dollars in millions)

Certificates exchanged	Description of new security	Exchanges	Re-deemed for cash <sup>1</sup>	Total	Percent exchanged
$\frac{7}{8}$ % due Aug. 1, 1943....	$\frac{7}{8}$ % Certificates of indebtedness, due Aug. 1, 1944.	1,556	53	1,609	97
$\frac{7}{8}$ % due Nov. 1, 1943....	$\frac{7}{8}$ % Certificates of indebtedness, due Oct. 1, 1944.	1,939	96	2,035	95
$\frac{7}{8}$ % due Dec. 1, 1943....	$\frac{7}{8}$ % Certificates of indebtedness, due Dec. 1, 1944.	3,540	260	3,800	93
$\frac{7}{8}$ % due Feb. 1, 1944....	0.90% Treasury notes due Mar. 1, 1945.....	2,127	84	2,211	96
$\frac{7}{8}$ % due Apr. 1, 1944....	$\frac{7}{8}$ % Certificates of indebtedness, due Apr. 1, 1945.	4,877	374	5,251	93
$\frac{7}{8}$ % due May 1, 1944....	$\frac{7}{8}$ % Certificates of indebtedness, due May 1, 1945.	1,615	40	1,655	98

<sup>1</sup> Includes amounts transferred to matured debt.



Announcement was made on June 7, 1943, that the  $3\frac{1}{4}$  percent Treasury bonds of 1943-45, originally issued in 1933 in part for cash and in part in exchange for bonds of the Fourth Liberty Loan, were called for redemption on October 15, 1943. Holders of these bonds were offered in exchange additional issues of the 2 percent Treasury bonds of 1951-53 and the  $2\frac{1}{2}$  percent Treasury bonds of 1964-69, which had been offered in the Third War Loan, subject to the restriction upon commercial bank holdings of the  $2\frac{1}{2}$  percent bonds. Of the \$1,401 millions of  $3\frac{1}{4}$  percent bonds outstanding, \$1,102 millions were exchanged for 2 percent Treasury bonds of 1951-53, and \$59 millions were exchanged for  $2\frac{1}{2}$  percent Treasury bonds of 1964-69. A balance of \$239 millions remained for repayment in cash.

In a single large-scale operation, the Treasury refunded, on March 15, 1944, securities which were outstanding in the amount of \$4,729 millions. These securities consisted of all notes and bonds becoming due or callable between March 15 and June 15, 1944. There were seven separate Treasury and guaranteed issues involved in the refunding and three issues were offered in exchange.

Descriptions of the seven maturing securities are shown in the following table.

Description of security	Maturity or call date	Amount outstanding Feb. 29, 1944
		<i>In millions of dollars</i>
Treasury securities:		
1% Treasury notes, Series B—1944.....	Mar. 15, 1944	515
$3\frac{1}{4}$ % Treasury bonds, 1944-46.....	Apr. 15, 1944 <sup>1</sup>	1,519
$\frac{3}{4}$ % Treasury notes, Series A—1944.....	June 15, 1944	416
Total Treasury securities.....		2,449
Guaranteed securities:		
$3\frac{1}{4}$ % Federal Farm Mortgage Corporation bonds, 1944-64.....	Mar. 15, 1944 <sup>1</sup>	95
3% Federal Farm Mortgage Corporation bonds, 1944-49.....	May 15, 1944 <sup>1</sup>	835
1% Reconstruction Finance Corporation notes, Series W.....	Apr. 15, 1944	571
3% Home Owners' Loan Corporation bonds, Series A 1944-52.....	May 1, 1944 <sup>1</sup>	779
Total guaranteed securities.....		2,280
Total Treasury and guaranteed securities.....		4,729

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Called for redemption on date indicated.

The three issues offered in exchange consisted of reopenings of the two marketable Fourth War Loan bonds—the  $2\frac{1}{4}$  percent Treasury bonds of 1956-59 and the  $2\frac{1}{2}$  percent Treasury bonds of 1965-70—and a new  $1\frac{1}{2}$  percent Treasury note due September 15, 1948. Holders other than commercial banks were permitted to exchange into any of the three securities available; commercial banks, however, were permitted to exchange only into the notes.

The two bond issues offered in exchange were both dated February 1, 1944, whereas the note issue was dated March 15, 1944. The refunded securities carried various maturity and call dates from March 15, 1944, through June 15, 1944. In most cases the maturity date of the old security and the issue date of the new security did not coincide, thereby necessitating interest adjustments.

In general, the adjustment was made by allowing interest on the old issue to its maturity date (call date in the case of securities called for redemption) and then deducting accrued interest on the new issue for the period of the overlap. There were some exceptions to this general rule. In the case of the 1 percent Reconstruction Finance Corporation notes due April 15, 1944, the interest was adjusted as of March 15. Holders of the  $\frac{3}{4}$  percent Treasury notes due June 15, 1944, were permitted to elect whether interest would be adjusted as of March 15 or June 15.

The foregoing interest adjustments were desirable in view of the diversity of interest rates and tax-exemption provisions of the maturing issues. Many holders of the partially or wholly tax-exempt issues called for redemption after March 15 would have had a strong incentive not to accept an exchange offer which did not permit them to receive, in effect, the benefit of the interest rate and tax-exemption status of their old securities up to their respective call dates. In the case of the Reconstruction Finance Corporation notes, on the other hand, holders were given the benefit of the higher coupon rates on the new issues as an inducement to accept the exchange. The question of tax exemption did not arise because these maturing notes were taxable. Holders of the  $\frac{3}{4}$  percent wholly tax-exempt Treasury notes were given the opportunity of deciding which security they would, in effect, receive interest on during the overlap period because the holder's income tax position would determine which alternative would be the more advantageous.

The subscription books were opened on March 2. They were closed on March 8 for subscriptions in payment of which maturing notes were tendered, and on March 11 for subscriptions in payment of which called bonds were tendered. In the case, however, of investors whose total holdings of the refunded securities were \$100,000 or less, the subscription books were kept open through March 15.

The volume of old securities exchanged for new securities totaled \$3,919 millions, or 83 percent of the old securities outstanding. The following table shows the amount and the percentage of each maturing security which was exchanged for new securities.

*Details of market refunding of March 15, 1944*

[In millions of dollars]

Maturing security	Means of retirement				
	Exchanged for—			Re-deemed for cash <sup>2</sup>	Total
	1½% Treasury notes Sept. 15, 1948	2¼% Treasury bonds, Sept. 15, 1956-59 <sup>1</sup>	2½% Treasury bonds, Mar. 15, 1965-70 <sup>1</sup>		
1% Treasury notes, Mar. 15, 1944 (W).....	473	7	3	32	515
3¼% Federal Farm Mortgage Corporation bonds, Mar. 15, 1944-64 (P).....	70	2	4	19	95
3¼% Treasury bonds, Apr. 15, 1944-46 (P).....	1,151	35	37	296	1,519
1% Reconstruction Finance Corporation notes, Apr. 15, 1944 (T).....	555	3	1	12	571
3% Home Owners' Loan Corporation bonds, May 1, 1944-52 (P).....	572	16	16	175	779
3% Federal Farm Mortgage Corporation bonds, May 15, 1944-49 (P).....	662	30	13	130	835
¾% Treasury notes, June 15, 1944 (W).....	266	2	2	146	416
Total.....	3,748	95	77	810	4,729

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Additional issue of securities offered in Fourth War Loan.<sup>2</sup> Includes amounts transferred to matured debt.

W Wholly tax-exempt.

P Partially tax-exempt.

T Taxable.

*Adjusted service bonds*

Adjusted service bonds of 1945, amounting to \$1.4 millions, were issued during the year, making a total of \$1,843 millions of such bonds issued since June 15, 1936, in payment of amounts due on adjusted service certificates. Redemptions of \$6.0 millions of these bonds during the year brought the total redemptions since June 15, 1936, to \$1,625 millions, and left \$217 millions outstanding on June 30, 1944. Further data on adjusted service bonds appear in the table on page 612.

*Depository bonds*

Issuance of the First Series of depository bonds, as authorized by Department Circular No. 660, dated May 23, 1941, was continued during the year to the various qualified depositories and financial agents in amounts not exceeding the amount for which each depository and financial agency had qualified. The total issued during the year amounted to \$186 millions, and redemptions for the year amounted to \$27 millions, leaving \$385 millions outstanding on June 30, 1944.

Under date of June 29, 1943, the Secretary gave notice of the issuance of 2 percent depository bonds, Second Series, at par, to depositories for withheld taxes qualifying under Department Circular No. 714, dated June 25, 1943. All transactions in connection with the issue, redemption, and payment of interest on these bonds are conducted by Federal Reserve Banks, as fiscal agents of the United States acting for the Secretary of the Treasury. The bonds of the Second

Series are dated on the actual date of issuance on and after July 1, 1943. They bear interest at 2 percent from the date payment therefor is received, on a semiannual basis on January 1 and July 1, and mature 12 years from such date, but may be redeemed at the option of the United States or of the depository for withheld taxes upon not less than 30 nor more than 60 days' notice in writing by either party to the other. The bonds are issued only in the name of the Federal Reserve Bank, in the district in which the depository is located, as fiscal agent of the United States in trust for such depository and are not transferable. The total issues during the year amounted to \$100 millions and redemptions amounted to \$11 millions, leaving a balance of \$89 millions outstanding at the end of the year.

*Excess profits tax refund bonds*

Treasury Department Circular No. 728, dated December 31, 1943, prescribed regulations governing the issuance of excess profits tax refund bonds under the provisions of the Second Liberty Bond Act, as amended, and pursuant to sections 780 through 783 of the Internal Revenue Code, as amended. Section 780 creates a credit of an amount equal to 10 percent of the excess profits tax, imposed by Subchapter E of Chapter 2 of the Internal Revenue Code, for each taxable year ending after December 31, 1941 (except in the case of a taxable year beginning in 1941 and ending before July 1, 1942), and not beginning after the date of cessation of hostilities in the present war. Section 780 also provides for the issue by the Secretary of the Treasury of bonds of the United States in an aggregate amount equal to the 10 percent excess profits tax credit.

The bonds are issued in series according to the calendar year in which the credit used to purchase the bonds arose. Those purchased with the credits for any taxable years beginning in 1941 and 1942 are combined and are designated "First Series"; those purchased with 1943 and 1944 credits constitute the "Second Series" and the "Third Series", respectively. Those purchased with credits for taxable years beginning after December 31, 1944, will be designated "Fourth Series." Bonds of the First, Second, Third, and Fourth Series will mature, respectively, on the last day of the second, third, fourth, and fifth calendar years beginning after the cessation of hostilities in the present war, but will be redeemable after the cessation of hostilities (at the option of the United States), in whole or in part, upon 3 months' notice.

The bonds are issued following certification by the Commissioner of Internal Revenue of the amount of bonds to which a taxpayer is entitled, and are issued only in registered form in the name so certified; each bond is dated as of the day the credit available for its purchase is transferred to the Public Debt account.

The bonds bear no interest, are nonnegotiable, and may not be transferred by sale, exchange, assignment, pledge, hypothecation, or otherwise, on or before the date of the cessation of hostilities. After such date the bonds will be fully negotiable and may be exchanged or transferred without restriction.

The total issues of these bonds during the fiscal year 1944 amounted to \$134 millions. A copy of Department Circular No. 728 appears on page 343 of this report.

### *Special issues*

During the fiscal year the Treasury continued to issue special series of interest-bearing securities for the investment of trust or other funds deposited in the Treasury. The amount of such obligations increased by \$3,416 millions during the year. Details will be found in the table on page 615 of this report.

### *Special short-term certificates of indebtedness*

Special short-term certificates of indebtedness were sold in September 1943, directly and solely to the Federal Reserve Banks. These certificates were issued prior to the Third War Loan when the Treasury permitted its balances with the Federal Reserve Banks to become exhausted in anticipation of the sale of securities during the drive. The certificates were issued only to the extent of the overdraft thus incurred. The details of the issue will be found in the table on page 655 of this report.

### *Cumulative sinking fund*

Credits accruing to the cumulative sinking fund during the year amounted to \$588 millions which, added to the unexpended balance of \$3,762 millions brought forward from the previous year, made available \$4,350 millions for the year. None of the funds were used for the retirement of bonds and notes which matured or which were called during the fiscal year 1944. The unexpended balance of \$4,350 millions was carried forward to the fiscal year 1945.

Tables presenting the transactions on account of the fund for 1944 and since its inception on July 1, 1920, will be found on pages 665 and 666 of this report.

### *Composition of the public debt*

The gross public debt on June 30, 1944, amounted to \$201,003 millions, an increase of \$64,307 millions during the fiscal year. Chart 10 on page 69 shows the composition of the interest-bearing debt and the guaranteed debt outstanding at the end of each month from

June 30, 1937 through June 30, 1944. The following table shows the amount of the public debt outstanding on June 30, 1943, and June 30, 1944, classified by character of issues, the percent increase during the year, and the percent distribution among the various classes of issues.

*Public debt outstanding on June 30, 1943, and June 30, 1944, by classes of issues*<sup>1</sup>

[Dollars in millions. On basis of daily Treasury statements, see p. 519]

Class of issue	June 30, 1943	June 30, 1944	Percent increase or decrease (-), 1944 over 1943	Percent distribution of amounts	
				1943	1944
Interest-bearing:					
Public issues:					
Marketable issues:					
Postal savings bonds, etc., authorized by acts prior to Apr. 6, 1917.....	196	196	(*)	0.1	0.1
Treasury bonds.....	57,520	79,244	37.8	42.1	39.4
Treasury notes.....	9,168	17,405	89.8	6.7	8.7
Certificates of indebtedness.....	16,561	28,822	74.0	12.1	14.3
Treasury bills.....	11,864	14,734	24.2	8.7	7.3
Total marketable issues.....	95,310	140,401	47.3	69.7	69.9
Nonmarketable issues:					
United States savings bonds.....	21,256	34,606	62.8	15.5	17.2
Depository bonds.....	226	474	109.7	.2	.2
Adjusted service bonds.....	222	217	-2.1	.2	.1
Treasury notes, tax series and savings series.....	7,495	9,557	27.5	5.5	4.8
Total nonmarketable issues.....	29,200	44,855	53.6	21.4	22.3
Total public issues.....	124,509	185,256	48.8	91.1	92.2
Special issues to trust funds, etc.....	10,871	14,287	31.4	8.0	7.1
Total interest-bearing debt.....	135,380	199,543	47.4	99.0	99.3
Matured debt on which interest has ceased.....	141	201	43.0	.1	.1
Debt bearing no interest.....	1,175	1,259	7.1	.9	.6
Total gross debt.....	136,696	201,003	47.0	100.0	100.0

NOTE.—Figures are rounded and will not necessarily add to totals.

\* Less than 0.05 percent.

<sup>1</sup> A table covering obligations guaranteed by the United States for these dates appears on p. 75.

The largest percentage increases in outstanding marketable issues were in Treasury notes and certificates of indebtedness. Despite these large increases during the year, these two classes of marketable securities together still represent less than one-fourth of the gross public debt. Treasury bills increased by 24.2 percent during the year. As this increase was less than the average increase for the entire debt, bills declined during the year in their relative importance as a component of the debt. United States savings bonds outstanding increased from 15.5 percent to 17.2 percent of the gross debt during the fiscal year 1944.

The table on page 70 shows the maturity distribution of the public debt on the basis of time to final maturity, and also on the basis of time to the earliest date at which it may be repaid, either at the option of the Government or at that of the holder, on June 30, 1943, and June 30, 1944. There has been little change during the fiscal year

COMPOSITION OF THE PUBLIC DEBT<sup>1</sup> BY TYPES OF ISSUES

MONTHLY JUNE 1937 THROUGH JUNE 1944

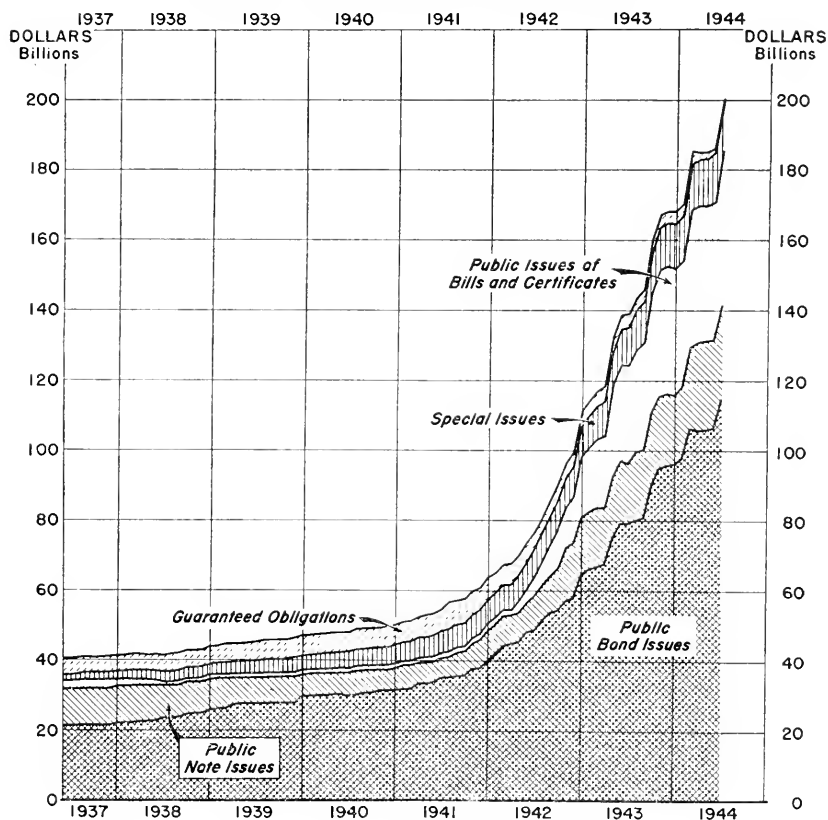


CHART 10.

<sup>1</sup> Includes guaranteed issues.

in the proportionate distribution of maturities. About 47.8 percent of the outstanding public debt and guaranteed obligations mature or may be paid within one year. Almost the same percentage relationship prevailed on June 30, 1943. About 60.3 percent of outstanding interest-bearing obligations mature or may be paid within five years. This, too, is approximately the same proportion as on June 30, 1943.

When the classification is in terms of final maturities rather than of the earliest possible payment dates, the proportion due within one year falls to about half of the proportion redeemable, at the option of either the Government or the holder, within the same period. The proportion maturing within five years is about 40.5 percent, as compared with about 60.3 percent redeemable within that period.

*Estimated distribution, by earliest optional redemption classes and by maturity classes, of interest-bearing securities issued or guaranteed by the United States, June 30, 1943 and 1944*

Call or maturity class	Amounts (billions of dollars)		Percent of total	
	June 30, 1943	June 30, 1944	June 30, 1943	June 30, 1944
Classified by years to earliest optional redemption date <sup>1</sup>				
1 year or less <sup>2</sup> .....	65.0	96.1	46.6	47.8
1-5 years.....	20.7	25.1	14.9	12.5
5-10 years.....	23.1	33.9	16.5	16.9
10-15 years.....	6.6	9.8	4.8	4.9
15-20 years.....	3.7	10.2	2.6	5.1
Over 20 years.....	9.3	11.3	6.7	5.6
Special issues <sup>3</sup> .....	11.1	14.6	7.9	7.3
Total.....	139.5	201.1	100.0	100.0
Classified by years to maturity				
1 year or less.....	33.3	49.6	23.8	24.7
1-5 years.....	24.8	31.9	17.8	15.8
5-10 years.....	33.8	60.4	24.3	30.0
10-15 years.....	18.9	14.6	13.6	7.3
15-20 years.....	4.6	8.4	3.3	4.2
Over 20 years.....	13.0	21.5	9.3	10.7
Special issues <sup>3</sup> .....	11.1	14.6	7.9	7.3
Total.....	139.5	201.1	100.0	100.0

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Whether optional with the Treasury or with the holder.

<sup>2</sup> Securities redeemable at the owner's demand (United States savings bonds, Treasury savings notes, adjusted service bonds, and depository bonds) have been classified as redeemable in 1 year or less.

<sup>3</sup> Held by United States Government agencies and trust funds.

The concentration of the public marketable issues in short maturities has been predominantly the result of the issuance during the war period of large volumes of Treasury bills and certificates of indebtedness. It has been only secondarily the result of the approach to maturity of long-term securities previously issued. As has been indicated in the introduction to this report, issuance of these securities has served both to maintain the liquidity of the banking system and of business in general and to keep low the interest cost of wartime borrowing. Securities of longer term could have been issued at higher interest rates, but it is improbable that such action would have altered significantly the proportions of borrowed funds which the Treasury obtained from various sources. Banks and business corporations would now hold more long-term securities than they do and would have suffered a loss of liquidity in consequence of the change. At the same time the Treasury would have been under the necessity of paying higher interest rates for funds which were available to the Treasury very largely because restrictions on peacetime production entailed restricted alternative investment opportunities.

United States savings bonds constitute about 17 percent of the gross debt; Treasury notes, tax series and savings series, constitute about 5 percent. These securities, although issued for fixed terms of



years, are redeemable at the owner's demand (in which case they pay interest at rates appropriate to the length of time they have been held rather than at the higher rates which are earned if they are held to maturity). They may be considered, therefore, as in fact short-term securities under certain circumstances. The preeminent position of short-term and demand securities in the structure of the debt will make for greater ease and effectiveness in debt management in the years to come. The flexibility which is thus imparted to the economy is likely, moreover, to contribute to a greater degree of economic stability than would otherwise have existed.

### *Interest on the public debt*

*Expenditures.*—Total expenditures during the year for interest on the public debt amounted to \$2,609 millions, an increase of \$801 millions over expenditures of the previous year. As shown in table 57 on page 715, \$1,450 millions consisted of interest subject to the Federal income tax, \$825 millions of interest subject, with minor exceptions, to the surtax only, and \$27 millions of interest wholly exempt from the Federal income tax. In addition, interest paid on special securities issued to Federal Government agencies and trust funds which are not taxable amounted to \$308 millions. These amounts compare with expenditures in the previous year of \$676 millions of taxable, \$857 millions of partially tax-exempt, and \$38 millions of wholly tax-exempt interest, and \$241 millions of interest on special issues.

*Interest rate structure.*—Chart 11 on page 72 compares the term structure of interest rates on United States Government securities on June 30, 1944, and on June 30, 1943. It will be noted that the yields of taxable Treasury securities rose to somewhat higher levels during the fiscal year 1944, and that the yields of partially tax-exempt Treasury securities underwent little net change for the year.

*Interest rate structure.*—Chart 11 compares the term structure of interest rates on United States Government securities on June 30, 1944, and on June 30, 1943. It will be noted that the yields of taxable Treasury securities rose to somewhat higher levels during the fiscal year 1944, and that the yields of partially tax-exempt Treasury securities underwent little net change for the year.

*Computed interest rate.*—For the fifth consecutive year the computed average interest rate on the interest-bearing debt has been lowered. From 2.600 percent on June 30, 1939, the rate declined to 1.979 percent on June 30, 1943, and to 1.929 percent, the lowest it has ever been, on June 30, 1944. The computed annual interest charge on the debt, on which this average rate is based, increased from \$2,679 millions, at the end of the fiscal year 1943, to \$3,849 millions on June 30, 1944. The reduction in the computed rate during the year again resulted in part from the refunding of securities issued at

## YIELDS OF OBLIGATIONS OF THE UNITED STATES

BASED ON CLOSING PRICES

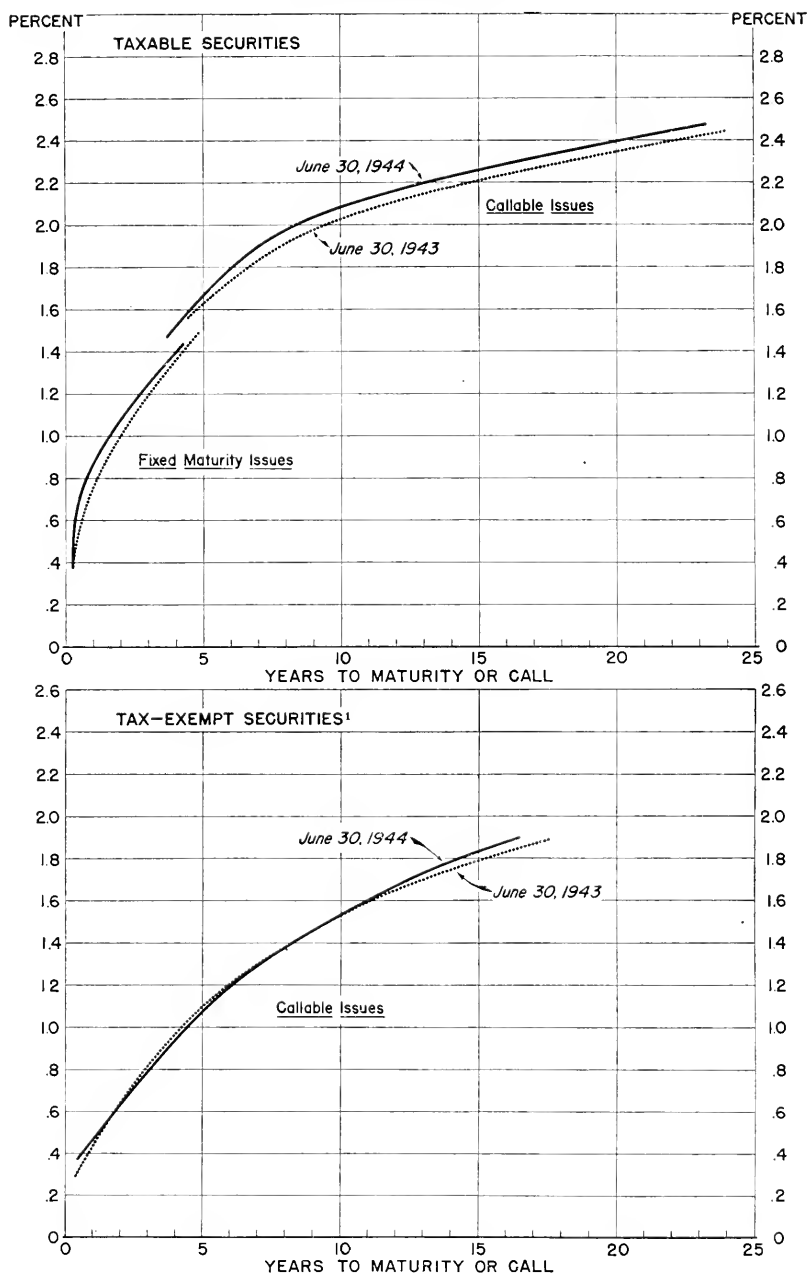


CHART 11.

<sup>1</sup> All wholly tax-exempt securities and partially tax-exempt securities with fixed maturities are omitted because they are too few in number and too small in outstanding amount to permit drawing a significant curve.

higher rates in earlier years and in part from the predominance among securities issued during the year of short-term securities bearing interest rates below the average rate on the securities which remained outstanding during the year. Chart 12 below shows the computed interest rates for each type of public debt issue for each month from July 1936 through June 1944.

COMPUTED ANNUAL INTEREST RATES ON THE PUBLIC DEBT  
MONTHLY JULY 1936 THROUGH JUNE 1944

By Types of Issue

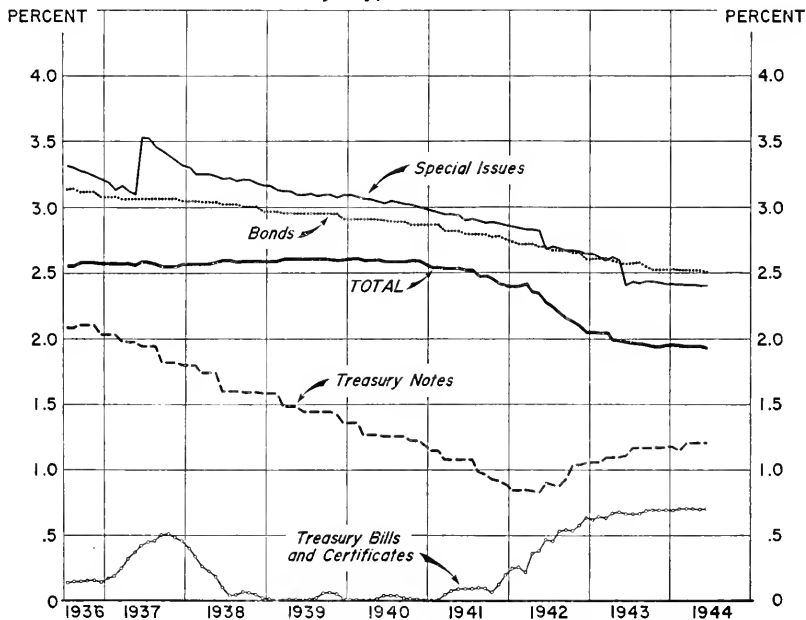


CHART 12.

*Debt limit*

The Public Debt Act of 1944, approved June 9, 1944 (see exhibit 31 on p. 343), further amended section 21 of the Second Liberty Bond Act so as to limit the obligations issued under authority of the act to an amount not to exceed in the aggregate \$260 billions outstanding at any one time. The prior limitation in such respect was \$210 billions, as fixed by the Public Debt Act of 1943. As of June 30, 1944, the unused borrowing authorization under the limitation in effect on this date was nearly \$52 billions, as shown by the following statement.

*Face amount of obligations outstanding and the face amount which can still be issued under the limitation in effect on June 30, 1944*

Total face amount that may be outstanding at any one time.....	\$260,000,000,000
Outstanding as of June 30, 1944:	
Interest-bearing:	
Bonds:	
Treasury.....	\$79,244,104,350
Savings (maturity value) <sup>1</sup> .....	42,812,097,850
Depository.....	474,321,750
Adjusted service.....	717,441,006
	<hr/>
Treasury notes.....	34,742,010,150
Certificates of indebtedness.....	34,829,306,000
Treasury bills (maturity value).....	14,734,104,000
	<hr/>
	84,305,420,150
	<hr/>
	207,553,385,106
Matured obligations on which interest has ceased.....	193,319,400
Debt bearing no interest:	
United States war savings stamps.....	196,518,370
Excess profits tax refund bonds.....	134,032,175
	<hr/>
	330,550,545
	<hr/>
	208,077,255,051
Face amount of obligations issuable under above authority.....	51,922,744,949
 <i>Reconciliation with Daily Statement of the United States Treasury, June 30, 1944</i>	
Total face amount of outstanding public debt obligations issued under authority of the Second Liberty Bond Act, as amended.....	\$208,077,255,051
Deduct: Unearned discount on savings bonds (difference between current redemption value and maturity value).....	8,205,956,665
	<hr/>
	199,871,298,386
Add: Other public debt obligations outstanding but not subject to the statutory limitation:	
Interest-bearing (postal savings bonds, etc.).....	\$195,926,860
Matured obligations on which interest has ceased.....	7,531,760
Debt bearing no interest.....	928,630,215
	<hr/>
	1,132,088,835
	<hr/>
Total gross debt outstanding as of June 30, 1944.....	201,003,387,221
<sup>1</sup> Approximate maturity value. Principal amount (current redemption value) according to daily Treasury statement, \$34,606,141,185.	

## SECURITIES ISSUED BY GOVERNMENT CORPORATIONS AND CREDIT AGENCIES

During the fiscal year 1944 the Treasury continued the policy announced in October 1941 under which funds needed by Government corporations and credit agencies are provided by the Treasury instead of by the sale of guaranteed securities in the open market. In addition, Treasury facilities continued to be extended for servicing their obligations. The provisions of law authorizing agencies to issue securities guaranteed by the United States have placed certain limits with respect to the total amounts that can be issued. During the year, however, legislation was enacted which extended the power of both the Federal Housing Administration and the Reconstruction Finance Corporation to issue guaranteed obligations.

As a result of the Treasury's policy of providing funds required by certain Government corporations and credit agencies, there was a considerable decrease in the contingent liabilities of the Government on account of outstanding market issues of their obligations which are guaranteed as to principal and interest, and an appreciable increase in the amount of securities of such corporations and agencies held directly by the Treasury. No issues of guaranteed obligations were sold in the open market during the year. The Commodity Credit

Corporation, however, following approval by the Treasury, borrowed from commercial banks to finance certain commodity purchase programs which are handled by such banks for account of the Corporation. The Federal Housing Administration also continued to issue debentures in accordance with the terms of its insurance contracts. Further, the ownership of certain obligations issued by the Reconstruction Finance Corporation was transferred from the Treasury to various other Government corporations in order to provide those corporations with a temporary medium for investing their idle balances.

Securities of Government corporations and credit agencies held directly by the Treasury and reflected in the public debt increased from \$7,535 millions as of June 30, 1943, to \$10,717 millions as of June 30, 1944. The contingent liabilities of the Government on account of outstanding unmatured obligations in the hands of the public decreased from \$4,092 millions on June 30, 1943, to \$1,659 millions on June 30, 1944. A detailed statement of the securities held by the public and those held by the Treasury as of June 30, 1944, will be found in table 58 and footnote 1 on page 718. The net changes during the year are shown in the table that follows.

*Comparison of obligations guaranteed by the United States outstanding June 30, 1943 and 1944, by agencies*

[In millions of dollars. On basis of daily Treasury statements, see p. 519]

	June 30, 1943	June 30, 1944	Increase or decrease (—)
Issues held by the Treasury and reflected in the public debt:			
Commodity Credit Corporation.....	1,950	900	—1,050
Federal Farm Mortgage Corporation.....		366	366
Federal Public Housing Authority.....	283	398	115
Home Owners' Loan Corporation.....	212	580	368
Reconstruction Finance Corporation.....	5,033	8,416	3,383
Tennessee Valley Authority.....	57	57	.....
Total.....	7,535	10,717	3,182
Public issues:			
Unmatured obligations:			
Commodity Credit Corporation.....	480	<sup>1</sup> 704	224
Federal Farm Mortgage Corporation.....	930	.....	—930
Federal Housing Administration:			
Mutual mortgage insurance fund.....	9	9	(*)
Housing insurance fund.....	15	13	—2
War housing insurance fund.....		2	2
Federal Public Housing Authority.....	114	.....	—114
Home Owners' Loan Corporation.....	1,533	755	—779
Reconstruction Finance Corporation.....	1,011	176	—835
Subtotal, unmaturred obligations.....	<sup>2</sup> 4,092	<sup>2</sup> 1,659	—2,433
Matured obligations, all agencies.....	8	107	99
Matured interest, all agencies.....	3	2	—1
Total.....	4,103	1,769	—2,334
Grand total.....	11,638	12,486	848

NOTE.—Figures are rounded and will not necessarily add to totals.

\* Less than \$500,000.

<sup>1</sup> Daily Treasury statement figures revised in the amount of \$143 millions to include increase in demand obligations outstanding June 30.

<sup>2</sup> Exclusive of \$8 millions as of June 30, 1943, and \$6 millions as of June 30, 1944, of obligations issued on the credit of the United States by the Tennessee Valley Authority and held by the Reconstruction Finance Corporation.

Redemptions of guaranteed obligations were accomplished through Treasury facilities as follows: Federal Public Housing Authority 1½ percent Series B notes and Reconstruction Finance Corporation 1½ percent Series V notes were redeemed in cash by the issuing agencies which obtained the necessary funds by selling other issues to the Treasury. Federal Farm Mortgage Corporation bonds and Home Owners' Loan Corporation bonds called for redemption during the year, Reconstruction Finance Corporation 1 percent notes of Series W, and three Treasury issues which were due or callable between March 15 and June 15, 1944, were refunded on March 15, 1944, in a single large-scale operation in which three Treasury issues were offered in exchange. Details of this operation are given on pages 63-65.

Federal Housing Administration debentures of all types outstanding on June 30, 1943, amounted to \$23,474,886, issues during the year totalled \$2,678,150, and redemptions aggregated \$2,603,000, making \$23,550,036 outstanding at the end of the fiscal 1944, or a net increase of \$75,150. The debentures were redeemed pursuant to calls of the Federal Housing Commissioner, and instructions issued by the Secretary of the Treasury on September 28, 1942, March 27, 1943, and September 30, 1943.

In addition, pursuant to call of the Federal Housing Commissioner, the Secretary of the Treasury issued instructions on March 30, 1944, for the partial redemption of mutual mortgage insurance fund debentures, payable July 1, 1944. These covered debentures of mutual mortgage insurance fund Series B, eleventh call, and housing insurance fund Series E, second call, in amounts of \$138,750 and \$27,000, respectively.

Copies of the instructions issued during the fiscal year 1944 may be found as exhibits beginning on page 345, and those issued in the fiscal year 1943 in the annual report for that year. The transactions for which Treasury facilities were used to service maturities and redemptions of guaranteed market securities during the year are shown in the table on page 722.

The provisions of law authorizing agencies to issue obligations guaranteed by the United States have placed certain limits with respect to the total amounts that can be issued. This legislation with respect to the limitations established may be placed in three groups as follows:

(1) *Definite limitation*.—Provisions stating a specific amount of obligations which may be (a) issued, or (b) issued and outstanding at any specified time. When the legislative authority provides only for the issue of obligations, the agency may issue obligations in a definite amount, but after they have been retired may not issue new obligations to replace them. Examples of this limitation on the issuance of obligations are those of such agencies as the Home Owners'

Loan Corporation and the Federal Public Housing Authority. Under the second provision, the agency may reissue obligations provided the total amount outstanding does not exceed the authorized limit. Such limitation is imposed on the issuance of obligations by the Federal Farm Mortgage Corporation.

(2) *Indirect limitation*.—Provisions not stating a specific amount of obligations that may be issued and outstanding at any time, but the amount issued and outstanding is contingent upon specific limiting factors. As a result there is an indirect limit upon the amount which may be issued and outstanding at any one time. The issuance of obligations by the Reconstruction Finance Corporation, in connection with advances to the Federal Housing Commissioner for the payment of losses on renovation and modernization loans, comes within this category.

(3) *No specific limitation*.—Provisions not stating a specific amount of obligations which may be issued or issued and outstanding at any one time, but the amount is contingent upon other specific factors, the amount of such factors also being indefinite. The authority granted the Reconstruction Finance Corporation to subscribe to preferred stock in national banks, State banks, or trust companies is in this class.

Provisions of two laws enacted during the year extended the power of the Federal Housing Administration to issue guaranteed obligations. Under the act of October 15, 1943 (Public Law 159), and the act of June 30, 1944 (Public Law 392), the authority of the Federal Housing Administration to insure the principal amount of mortgages under Title VI of the National Housing Act, as amended, was increased by \$400 millions and \$100 millions, respectively. The aggregate amount of principal obligations of all mortgages insured by the Federal Housing Administration is now limited to \$5,700 millions, which may be increased by an amount not exceeding \$1,000 millions with the approval of the President. In addition, the Commissioner is authorized to incur total liabilities not exceeding \$165 millions under Title I of the National Housing Act, as amended, for insured renovation and modernization loans.

The legislation increasing the power of the Reconstruction Finance Corporation to issue guaranteed obligations during the year included the acts of July 12, 1943 (Public Law 129), and December 23, 1943 (Public Law 216). As a result of this legislation and transactions under previously enacted legislation, the borrowing power of the Corporation was changed. The amount of obligations which it was authorized to issue as of June 30, 1944, amounted to \$17,003 millions, including the amounts outstanding under indefinite authorizations, a net decrease of \$105 millions since June 30, 1943. The net decrease resulted from the changes shown in the table which follows. In this connection, it may be pointed out that in the table the only items

actually reflecting changes in borrowing power in other than an accounting sense are the two listed under loans to the Secretary of Agriculture, the others are a matter of presentation and reflect transactions under existing authorizations.

## INCREASES

For loans to Secretary of Agriculture, acts of July 12, 1943 (Public Law 129), and Dec. 23, 1943 (Public Law 216):	<i>Amount</i>
For loans in accordance with Title I of the Bankhead-Jones Farm Tenant Act.....	\$30,000,000
For additional funds for rural rehabilitation loans.....	67,500,000
For advances to Federal Housing Commissioner (48 Stat. 1247; 12 U. S. C. 1705).....	175,000
Total increases.....	97,675,000

## DECREASES

Subscriptions to preferred stock in national banks, State banks, or trust companies (48 Stat. 6; 12 U. S. C. 51-d).....	40,274,191
Obligations of the Reconstruction Finance Corporation canceled by the Secretary of the Treasury pursuant to act of Feb. 24, 1938, on account of expenditures for:	
Federal Housing Commissioner.....	175,000
Regional agricultural credit corporations—expenses.....	2,710,000
Repayment of loans to Secretary of Agriculture for farm tenancy and rural rehabilitation.....	159,695,178
Total decreases.....	202,854,369
Net decrease.....	105,179,369

The table that follows shows, by agencies, the amounts of obligations authorized to be outstanding as of June 30, 1944, and the amounts actually outstanding on that date.

*Outstanding issues of Government corporations and credit agencies whose obligations are guaranteed by the United States, June 30, 1944*

[In millions of dollars]

Agency	Borrowing power	Outstanding obligations			
		Total	Held by Treasury	Held by others <sup>1</sup>	
				Unmatured	Matured <sup>2</sup>
I. Agencies issuing obligations for cash or in exchange for mortgages:					
Commodity Credit Corporation.....	3,000	1,604	900	<sup>3</sup> 704	(*)
Federal Farm Mortgage Corporation.....	2,000	409	366	-----	43
Federal Public Housing Authority.....	<sup>4</sup> 800	398	398	-----	(*)
Home Owners' Loan Corporation.....	<sup>4</sup> 4,750	1,399	580	755	64
Reconstruction Finance Corporation.....	17,003	8,593	8,416	176	(*)
Tennessee Valley Authority.....	<sup>5</sup> 62	<sup>5</sup> 57	57	-----	-----
Subtotal.....	27,615	12,460	10,717	1,635	107
II. Agencies issuing obligations only in payment of defaulted and foreclosed insured mortgages:					
Federal Housing Administration.....	<sup>6</sup> 5,865	24	-----	24	(*)
U. S. Maritime Commission.....	<sup>7</sup> 200	-----	-----	-----	-----
Subtotal.....	6,065	24	-----	24	(*)
Total.....	33,680	12,483	10,717	1,659	107

NOTE.—Figures are rounded and will not necessarily add to totals.

\* Less than \$500,000.

<sup>1</sup> Excludes matured interest, all agencies, in amount of \$2 millions.

<sup>2</sup> Funds have been deposited with the Treasurer of the United States for payment of all obligations guaranteed by the United States, representing outstanding matured principal of \$107 millions and interest of \$2 millions.

<sup>3</sup> Daily Treasury statement figures revised in the amount of \$143 millions to include increase in demand obligations outstanding June 30, 1944.

<sup>4</sup> This is a limitation on issues and the amount may be increased only by the amount of issues for refunding purposes.

<sup>5</sup> Exclusive of \$6 millions issued on the credit of the United States and held by the Reconstruction Finance Corporation.

<sup>6</sup> Limit of authority to insure mortgages. This amount may be increased by \$1,000 millions upon approval by the President. Debentures may be tendered and issued only in exchange for insured property acquired through foreclosure.

<sup>7</sup> Limit which may be outstanding at any one time with respect to the insuring of mortgages.



SOURCES OF FUNDS FOR FEDERAL BORROWING<sup>1</sup>

An analysis of the funds which the Federal Government may tap in financing the war rests primarily on an analysis of production, income, and savings in the economy. At the same time that production is turning out physical goods and services income is being created. When a tank is built and sold to the Army, for example, the producer pays wages to his workers and dividends to stockholders; he pays other producers for the raw materials that they provide and he sets aside part of the income to cover depreciation and to pay his taxes. All of the dollars of income, regardless of how they are distributed, are equal in the aggregate to the value of total production in the economy as a whole.

Under present wartime conditions, the Federal Government is buying a larger share of this production than it is receiving in taxes from the income generated. On the other hand, the rest of the economy—individuals and corporations (and State and local governments)—has more income left after Federal taxes than the value of the goods and services available for purchase at the present price level. It is this surplus of income which the Government must try to reach through its borrowing program.

The first of three sections which follow presents an analysis of the distribution and uses of the gross income generated by production during the fiscal years 1943 and 1944. In the second section new liquid savings during these two years are studied with particular reference to the amounts invested in Federal securities.<sup>2</sup> This incorporates an analysis of the gross purchases of Federal securities by investor classes, net liquidations through redemptions, cash maturities, and market sales, and the resulting net absorption of Federal securities. In this analysis net new investments in Federal securities are compared with net new liquid savings available. Of course, securities are absorbed by investing old accumulations of funds as well as by drawing on new liquid savings, but it is obviously impossible to make this distinction statistically.

The third section compares the estimates of ownership of Federal securities by investor classes as of June 30, 1940–1944, and discusses the changes in ownership for each of the four years.

*Analysis of gross income flow*

Since 1940 the annual value of goods and services produced in this country has more than doubled, with increased war production ac-

<sup>1</sup> The statistics available for the present analysis are taken from various sources and are subject to certain technical qualifications as noted in footnotes. The Department of Commerce, the Securities and Exchange Commission, and the Federal Reserve System have conducted studies which, together with available Treasury Department data, fill in the broad outlines even though certain details are lacking. In the present analysis, figures are given for the two fiscal years 1943 and 1944. The 1943 figures have been revised from those presented in this report last year.

<sup>2</sup> The term "Federal securities" as used here comprises all interest-bearing public debt and guaranteed securities of the United States Government.

counting for most of the gain. The production of this unprecedented amount of goods and services, plus minor governmental payments for relief and pensions, has, of course, resulted in the creation of an equally unprecedented amount of income. This gross income flow amounted to \$197 billions in the fiscal year 1944.

As the gross income flow is distributed it is received initially either by individuals or corporations. The term "individuals" is used throughout this section to include unincorporated business, partnerships, and personal trust accounts. Individuals received \$156 billions, or over three-quarters of the total gross income flow in the fiscal year 1944. Of this total, wages and salaries amounted to \$111 billions, or over two-thirds of individual income.

The remainder of the gross income flow is accounted for by corporation items, comprising (1) current net earnings before direct taxes on corporations, but after dividends paid to individuals, (2) current allowances for business reserves for depreciation, depletion, etc., and (3) the amount of indirect taxes, such as sales taxes, which are included because corporations are presumed to be acting as collectors on behalf of the Government. The sum of these three corporate items—amounting to \$41 billions in the fiscal year 1944—represents that part of the gross income flow assigned to corporations rather than to individuals.

Figures for the gross income flow are summarized in the following table.

*Distribution of gross income flow between individuals and corporations, fiscal years 1943 and 1944*

[In billions of dollars]

	1943	1944
1. Individuals:		
a. Wages and salaries <sup>1</sup> .....	96	111
b. Entrepreneurial net income and allowances for reserves for depreciation, depletion, etc. <sup>2</sup> .....	25	28
c. Rents, interest, and dividends.....	13	14
d. Governmental payments for relief and pensions.....	2	3
e. Total <sup>3</sup> .....	137	156
2. Corporations:		
a. Net earnings before direct taxes on corporations but after dividends paid to individuals.....	19	20
b. Allowances for reserves for depreciation, depletion, etc. <sup>2</sup> .....	7	8
c. Indirect taxes <sup>4</sup> .....	12	13
d. Total.....	38	41
3. Total gross income flow <sup>5</sup> .....	174	197

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Includes contributions by employers and employees to social insurance funds.

<sup>2</sup> Total business allowances for reserves for depreciation, depletion, etc., as estimated by the Department of Commerce have been classified as between unincorporated business and corporations. Capital outlay charged to current expense, inventory revaluation adjustment, and adjustment for discrepancies are also included with such allowances.

<sup>3</sup> Income payments to individuals (\$131 billions in 1943 and \$150 billions in 1944) plus net increment in social insurance reserves and allowances for reserves for depreciation, depletion, etc., by unincorporated business.

<sup>4</sup> Indirect taxes—such as sales taxes—are collected through business and are here all assigned to corporations since no breakdown is feasible between corporations and unincorporated business.

<sup>5</sup> Gross national product (\$172 billions in 1943 and \$194 billions in 1944) plus governmental payments for relief and pensions.

Part of the gross income flow distributed to individuals and corporations is transferred to government in the form of taxes, as shown in the table below. In the fiscal year 1944, individuals paid \$22 billions in direct taxes (principally net income taxes) while corporations paid \$15 billions in direct taxes (largely net income and excess profits taxes), and \$13 billions of indirect taxes were collected through business.

*Transfer of gross income flow through tax payments, fiscal years 1943 and 1944*

[In billions of dollars]

	1943			1944		
	Federal <sup>1</sup>	State and local	Total	Federal <sup>1</sup>	State and local	Total
1. Individuals:						
a. Direct taxes on individuals <sup>2</sup> .....	9	2	11	20	2	22
2. Corporations:						
a. Direct taxes on corporations.....	10	(*)	10	15	(*)	15
b. Indirect taxes <sup>3</sup> .....	4	7	12	6	7	13
c. Total.....	14	8	22	21	8	29
3. Total.....	23	10	33	41	10	51

NOTE.—Figures are rounded and will not necessarily add to totals.

\*Less than \$500 millions.

<sup>1</sup> These figures differ from figures shown elsewhere in this report on Federal net budgetary receipts (\$22 billions in 1943 and \$44 billions in 1944) by excluding those receipts which do not represent taxes paid from the current flow of income, such as miscellaneous receipts arising from the renegotiation of war contracts for prior years, and by including amounts of Federal individual income taxes withheld by employers which have not yet been paid to the Government.

<sup>2</sup> Includes minor amounts of employment taxes received by the Federal Government which are not transferred to social insurance trust funds.

<sup>3</sup> Indirect taxes—such as sales taxes—are collected through business and are here all assigned to corporations since no breakdown is feasible between corporations and unincorporated business.

Taxes, of course, represent merely a transfer of part of the gross income flow from one segment of the economy to another. The gross income flow before taxes is divided only between individuals and corporations, while after taxes are allowed for it is divided between individuals, corporations, State and local governments, and the Federal Government.<sup>1</sup>

For each of the four categories of income recipients, a separate analysis may be made of spendings and savings. Under wartime conditions one recipient group—the Federal Government—spends considerably more than its income from taxes, while the other three recipient groups spend less than the amount of their disposable income and thus have liquid savings accumulating. The sum of these liquid savings is equal to the amount of the excess spendings, or deficit, of the Federal Government, as will be noted in the following table.

<sup>1</sup> For convenience, income after taxes is referred to as “disposable income”; this term should not be confused with “disposable income of individuals” as used in a narrower sense by the Department of Commerce as income payments to individuals less personal taxes and nontax payments.

*Uses of gross income flow, fiscal years 1943 and 1944*

[In billions of dollars]

	Gross income flow	Income transferred by taxes	Disposable income <sup>1</sup>	Less: Spendings <sup>2</sup>	Equals: Liquid savings
Fiscal year 1943					
1. Individuals.....	137	-11	126	88	38
2. Corporations.....	38	-22	16	1	15
3. State and local governments.....		10	10	8	2
4. Total, excluding Federal Government.....	174	-23	152	96	55
5. Federal Government.....		23	23	<sup>3</sup> 78	- <sup>4</sup> 55
6. Total.....	174		174	174	
Fiscal year 1944					
1. Individuals.....	156	-22	134	95	39
2. Corporations.....	41	-23	12	1	11
3. State and local governments.....		10	10	8	2
4. Total, excluding Federal Government.....	197	-41	156	104	52
5. Federal Government.....		41	41	<sup>3</sup> 93	- <sup>4</sup> 52
6. Total.....	197		197	197	

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> For convenience, income after taxes is referred to as "disposable income"; this term should not be confused with "disposable income of individuals" as used in a narrower sense by the Department of Commerce as income payments to individuals less personal taxes and nontax payments.

<sup>2</sup> Comprises spendings for purchases of goods and services and for governmental relief and pensions.

<sup>3</sup> The figures used for Federal spendings differ slightly from those used elsewhere in this report for Federal budgetary expenditures (\$78 billions in 1943 and \$94 billions in 1944). As used here, they include the net outlays of Government corporations and exclude expenditures, such as for purchases of existing assets, which do not enter into the flow of current income.

<sup>4</sup> Differs from Federal net budgetary deficit as used elsewhere in this report (\$56 billions in 1943 and \$50 billions in 1944) by the net adjustments made to place Federal expenditures and receipts on the basis of flow of current income and production.

It will be noted that in the fiscal year 1944 individuals spent \$95 billions and saved \$39 billions out of disposable income of \$134 billions. Almost all of the expenditures consisted of purchases of consumers' goods and services, but there were minor amounts of purchases of plant and equipment and inventories by unincorporated business and small amounts of residential housing also purchased by individuals. In the fiscal year 1943 individuals spent \$88 billions and saved \$38 billions from \$126 billions of disposable income.

Corporations had \$12 billions of disposable income in the fiscal year 1944. Corporate spendings for capital assets amounted to only \$1 billion of this because of the difficulty of undertaking new private construction, purchases of new equipment, or replenishment of declining inventories. Accordingly, corporate liquid savings including, of course, unspent reserves aggregated \$11 billions. In the fiscal year 1943 corporate disposable income was somewhat higher, and also liquid savings, because in a period of rising income, tax payments lag behind the incurrence of tax liabilities.

State and local governments are currently collecting more revenue than they need to cover their current expenditures. As a result, in each of the last two fiscal years they had current surpluses

of \$2 billions. In each year income aggregated \$10 billions for these governmental units while spendings amounted to \$8 billions. The surpluses resulted from the fact that tax collections have been at unusually high levels due to the extraordinary expansion of business activity while spendings have been curtailed by the reduction in construction programs, particularly for new highways.

Individuals, corporations, and State and local governments—constituting all of the economy except the Federal Government—had disposable income in the fiscal year 1944 aggregating \$156 billions; they spent only \$104 billions, leaving liquid savings of \$52 billions. The Federal Government, on the other hand, had only \$41 billions of disposable income whereas its spendings amounted to \$93 billions. This left a deficit of \$52 billions, exactly balancing the liquid savings of the rest of the economy.

A major objective of war financing is to draw on these liquid savings as far as possible to cover the Federal deficit. To the extent that this is not done, individuals, corporations, and State and local governments as a group will be saving in the form of currency and checking accounts and the Federal Government will be borrowing equivalent amounts from banks. A large increase in the supply of money, both circulating media and checking accounts, was undoubtedly necessary in connection with the huge increase in business which has occurred during the war period. Every effort should be made to keep the expansion in the monetary supply at the lowest possible level, however, in order to lessen inflationary pressures. The following paragraphs analyze the progress made in absorbing funds through the sale of Federal securities in the last two fiscal years.

### *Liquid savings and investment in Federal securities*

First of all, it should be noted that a part of the liquid savings of any given recipient group may be transferred in effect to another group which undertakes the actual investment of the funds thus received. For example, individuals' savings in the form of life insurance are invested by the life insurance companies. Similarly, the process of debt repayment transfers funds from one group of investors to another. Also, the placing of funds in a mutual savings bank or in a savings account in a commercial bank means that these institutions, rather than the original savers, are responsible for the ultimate decisions relating to the investment of such funds.

It is necessary to make allowances for such transfers of funds in analyzing liquid savings available for net investment in Federal securities and the progress made in absorbing these funds. In the present analysis all of the transfers are followed through, and available savings are classified as between net investment in Federal securities

and amounts placed in currency and checking accounts.<sup>1</sup> Besides individuals, corporations, and State and local governments, three financial groups are analyzed, namely, Federal agencies and trust funds, insurance companies, and mutual savings banks. Following this, data are presented for commercial banks and Federal Reserve Banks.

1. *Individuals.*—Liquid savings of individuals amounted to \$39 billions in the fiscal year 1944, as was pointed out previously. The table below shows that \$15 billions of these savings were transferred to other recipient groups in the form of private insurance, social insurance, savings accounts, and other items, including debt repayment. This left \$24 billions of net savings available. Of this total, individuals invested \$15 billions in Federal securities during the fiscal year and increased their holdings of currency and checking accounts by about \$9 billions.

*Individuals: <sup>1</sup> Liquid savings and investment in Federal securities, fiscal years 1943 and 1944*

[In billions of dollars]

	1943	1944
<b>A. Relation of liquid savings to investment in Federal securities:</b>		
1. Liquid savings of individuals.....	38	39
2. Less: Transfers to other investors:		
a. Private insurance.....	3	3
b. Social insurance.....	3	4
c. Savings accounts <sup>2</sup> .....	4	6
d. Other, including debt repayment <sup>3</sup> .....	3	2
e. Total transfers.....	12	15
3. Equals: Net savings available.....	26	24
4. Less: Amounts placed in currency and checking accounts.....	13	9
5. Equals: Net investment in Federal securities.....	12	15
<b>B. Analysis of investment in Federal securities:</b>		
1. Purchases from the Treasury:		
a. During war loans.....	4.7	14.2
b. Other.....	9.1	6.4
c. Total.....	13.9	20.7
2. Less: Liquidations through redemptions, cash maturities, and market sales.....	1.7	5.9
3. Equals: Net investment in Federal securities.....	12.2	14.8

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Includes unincorporated business, partnerships, and personal trust accounts.

<sup>2</sup> Includes savings deposits in commercial and mutual savings banks, postal savings accounts, and savings and loan association shares.

<sup>3</sup> Includes net repayment of consumer debt, mortgage debt, farm and other unincorporated business debt, and debt incurred to purchase securities; also includes purchases of non-Federal securities, and an adjustment for discrepancies in reconciling detail.

<sup>1</sup> Technically, savings made in the form of currency and checking accounts also represent a transfer of funds from one investor group to another. Savings in the form of checking accounts require the corollary purchase of Federal securities by commercial banks, while savings in currency require, with minor exceptions, the purchase of Federal securities by Federal Reserve Banks. These items are not treated here as transfers between investor groups, because they represent the particular kinds of savings which the war financing program is intended to minimize. Treating them as transfers would eliminate them from the base in measuring the progress made in war financing.

The table indicates that individuals' net absorption of Federal securities was equivalent to more than 60 percent of net savings available from the current income flow in the fiscal year 1944. This compares with slightly less than 50 percent in the preceding fiscal year. It should be borne in mind, however, that there were two complete war loans and a major part of a third in the fiscal year 1944, as compared with two loans in the preceding year.

How should these ratios be interpreted as a measure of success in absorbing the funds of individuals and unincorporated business? A number of reasons make it clear that the ratio should be expected to be less than 100 percent, but it is virtually impossible to set any precise figure as an optimum. First of all, as has already been noted briefly, the increase in business activity brought about by the war has required a much higher level of money in the form of currency and checking accounts than previously. The gross income flow has more than doubled over the period, and more money for current operations is needed all along the line. Second, many small unincorporated businesses have experienced unprecedented prosperity during the war and have accumulated large funds out of current operations. Apparently, a large volume of these funds has been placed in checking accounts and probably also a significant amount in currency. Finally, many individuals and unincorporated businesses are undoubtedly accumulating large amounts in checking accounts and currency simply because they feel that they are already doing their share in buying Federal securities.

All of these factors behind savings in currency and checking accounts appear to be matters of savings preference or business practice rather than a temporary building up of cash for potential spending at the first opportunity. To the extent that these factors are operative, the need for immobilizing excess funds is lessened. On the other hand, some of the increase in currency represents undesirable tendencies insofar as it is being held for spending opportunities or because of illegal transactions. It is obviously impossible to make statistical allowances for these various factors.

The lower part of the table on individuals analyzes the amounts they are estimated to have invested in Federal securities. Gross purchases of securities from the Treasury are listed first, divided between purchases made in war loans and other purchases from the Treasury.<sup>1</sup> Allowance is then made for liquidations of securities through redemptions, cash maturities, and sales in the market to other investors. The major part of individuals' purchases from the Treasury in the fiscal year 1944 occurred during war loans.

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<sup>1</sup> Throughout this series of tables, Treasury bills and special issues to Federal agencies and trust funds are included as part of gross purchases from the Treasury on the basis of net increases in amounts outstanding.

2. *Corporations.*—This category includes all corporations other than banks and insurance companies, and also includes associations and eleemosynary institutions. The table below shows the liquid savings of corporations and their net investment in Federal securities. It is estimated that new liquid savings of corporations decreased from \$15 billions in the fiscal year 1943 to \$11 billions in the fiscal year 1944. In the former year corporations invested about two-thirds of their net savings available in Federal securities but in the fiscal year 1944 practically all of these savings were so invested.

*Corporations:*<sup>1</sup> *Liquid savings and investment in Federal securities, fiscal years 1943 and 1944*

[In billions of dollars]

	1943	1944
A. Relation of liquid savings to investment in Federal securities:		
1. Liquid savings of corporations.....	15	11
2. Plus: Transfers from other investors.....	(*)	
3. Less: Transfers to other investors.....		1
4. Equals: Net savings available.....	15	10
5. Less: Amounts placed in currency and checking accounts.....	5	(*)
6. Equals: Net investment in Federal securities.....	10	10
B. Analysis of investment in Federal securities:		
1. Purchases from Treasury:		
a. During war loans.....	9.3	21.8
b. Other.....	8.9	2.8
c. Total.....	18.2	24.6
2. Less: Liquidations through redemptions, cash maturities, and market sales.....	7.9	14.6
3. Equals: Net investment in Federal securities.....	10.3	10.0

NOTE.—Figures are rounded and will not necessarily add to totals.

\*Less than \$500 millions.

<sup>1</sup> Includes associations, dealers and brokers, and foreign balances in this country.

3. *State and local governments.*—It has previously been noted that liquid savings of State and local governments have been significant during the war period as the result of a surplus of current revenues over expenditures. As shown in the table below, these savings aggregated \$2 billions in each of the fiscal years 1943 and 1944. Part of these liquid savings was used each year to reduce the amount of outstanding State and local debt. Table 102 of this report shows that State and local securities outstanding (other than in State and local sinking, trust, and investment funds) declined by about a billion and a half dollars during the two years ended June 30, 1944. Practically all of the remaining savings was invested in Federal securities.



*State and local governments: Liquid savings and investment in Federal securities, fiscal years 1943 and 1944*

[In billions of dollars]

	1943	1944
A. Relation of liquid savings to investment in Federal securities:		
1. Liquid savings of State and local governments.....	2	2
2. Less: Transfers to other investors.....	1	(*)
3. Equals: Net savings available.....	1	2
4. Less: Amounts placed in currency and checking accounts.....	(*)	(*)
5. Equals: Net investment in Federal securities.....	1	2
B. Analysis of investment in Federal securities:		
1. Purchases from Treasury:		
a. During war loans.....	0.7	2.5
b. Other.....	(**)	(**)
c. Total.....	.7	2.5
2. Less: Liquidations through redemptions, cash maturities, and market sales.....	.1	.4
3. Equals: Net investment in Federal securities.....	.7	1.9

NOTE.—Figures are rounded and will not necessarily add to totals.

\* Less than \$500 millions.

\*\* Less than \$50 millions.

4. *Federal agencies and trust funds.*—Federal agencies and trust funds receive liquid savings as transfers from other investors, particularly individuals, through increases in postal savings deposits and in social insurance reserves, and through repayment of loans to Government corporations. Transfers of this kind provided Federal agencies and trust funds with \$4 billions in the fiscal year 1943 and \$5 billions in the fiscal year 1944. As shown in the table below the funds received by Federal agencies and trust funds are fully absorbed by their net investment in Federal securities, except for insignificant variations in their currency and checking accounts.

*Federal agencies and trust funds: Liquid savings and investment in Federal securities, fiscal years 1943 and 1944*

[In billions of dollars]

	1943	1944
A. Relation of liquid savings to investment in Federal securities:		
1. Liquid savings of Federal agencies and trust funds.....		
2. Plus: Transfers from other investors.....	4	5
3. Equals: Net savings available.....	4	5
4. Less: Amounts placed in currency and checking accounts.....	(*)	(*)
5. Equals: Net investment in Federal securities.....	4	5
B. Analysis of investment in Federal securities:		
1. Purchases from Treasury:		
a. During war loans.....	0.7	0.8
b. Other.....	3.5	5.1
c. Total.....	4.1	5.9
2. Less: Liquidations through redemptions, cash maturities, and market sales.....	.4	1.1
3. Equals: Net investment in Federal securities.....	3.7	4.8

NOTE.—Figures are rounded and will not necessarily add to totals.

\* Less than \$500 millions.

5. *Insurance companies.*—It is estimated that insurance companies received \$4 billions in current savings transferred from other investors

in each of the fiscal years 1943 and 1944. This includes the net increase in individual equity in life insurance (through policy payments and loan repayments, less benefits received), and includes also net available funds of fire, marine, casualty, and other insurance companies. As the following table indicates, all of these funds have been invested in Federal securities.

*Insurance companies: Liquid savings and investment in Federal securities, fiscal years 1943 and 1944*

[In billions of dollars]

	1943	1944
A. Relation of liquid savings to investment in Federal securities:		
1. Liquid savings of insurance companies.....		
2. Plus: Transfers from other investors.....	4	4
3. Equals: Net savings available.....	4	4
4. Less: Amounts placed in currency and checking accounts.....	(*)	(*)
5. Equals: Net investment in Federal securities.....	4	4
B. Analysis of investment in Federal securities:		
1. Purchases from Treasury:		
a. During war loans.....	4.1	6.8
b. Other.....	1.4	.1
c. Total.....	5.5	6.9
2. Less: Liquidations through redemptions, cash maturities, and market sales.....	1.6	2.7
3. Equals: Net investment in Federal securities.....	3.9	4.1

NOTE.—Figures are rounded and will not necessarily add to totals.

\*Less than \$500 millions.

6. *Mutual savings banks.*—Mutual savings banks received approximately \$1 billion of savings from individuals in the fiscal year 1943 and \$2 billions in the fiscal year 1944. This comprises mostly increases in savings accounts of individuals but includes also some repayment of loans. As in the case of insurance companies, mutual savings banks have been investing all of their new funds in Federal securities.

*Mutual savings banks: Liquid savings and investment in Federal securities, fiscal years 1943 and 1944*

[In billions of dollars]

	1943	1944
A. Relation of liquid savings to investment in Federal securities:		
1. Liquid savings of mutual savings banks.....		
2. Plus: Transfers from other investors.....	1	2
3. Equals: Net savings available.....	1	2
4. Less: Amounts placed in currency and checking accounts.....	(*)	(*)
5. Equals: Net investment in Federal securities.....	1	2
B. Analysis of investment in Federal securities:		
1. Purchases from Treasury:		
a. During war loans.....	1.8	3.8
b. Other.....	.7	.1
c. Total.....	2.5	3.9
2. Less: Liquidations through redemptions, cash maturities, and market sales.....	1.1	1.8
3. Equals: Net investment in Federal securities.....	1.4	2.0

NOTE.—Figures are rounded and will not necessarily add to totals.

\*Less than \$500 millions.

7. *Summary of investment in Federal securities by banks and nonbank investors.*—The following table shows the gross purchases and net absorption of Federal securities in the fiscal years 1943 and 1944 for commercial banks and Federal Reserve Banks together and for all nonbank investors combined.

*Investment in Federal securities by banks and nonbank investors, fiscal years 1943 and 1944*

[In billions of dollars]

	Banks <sup>1</sup>	Nonbank investors	Total
Fiscal year 1943			
1. Purchases from Treasury:			
a. During war loans <sup>2</sup> .....	8.4	21.3	29.8
b. Other.....	20.4	23.7	44.0
c. Total.....	28.8	45.0	73.8
2. Less: Liquidations through redemptions, cash maturities, and market sales.....	— <sup>3</sup> 1.9	12.8	10.9
3. Equals: Net investment in Federal securities.....	30.7	32.2	63.0
Fiscal year 1944			
1. Purchases from Treasury:			
a. During war loans <sup>2</sup> .....		49.9	49.9
b. Other.....	10.3	14.6	24.8
c. Total.....	10.3	64.4	74.7
2. Less: Liquidations through redemptions, cash maturities, and market sales.....	— <sup>3</sup> 13.6	26.7	13.1
3. Equals: Net investment in Federal securities.....	23.9	37.7	61.6

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Comprises commercial banks and Federal Reserve Banks.

<sup>2</sup> Excludes net purchases of Treasury bills during war loan periods, which are shown as part of other purchases.

<sup>3</sup> Negative figure signifies excess of market purchases over liquidations through redemptions and cash maturities.

The table shows that nonbank investors as a group absorbed \$38 billions of Federal securities in the fiscal year 1944, over \$5 billions more than in the preceding year. Gross purchases from the Treasury by nonbank investors in the fiscal year 1944 consisted of \$50 billions of purchases in war loans, and \$15 billions of other purchases, or \$64 billions in all. Liquidations of Federal securities by nonbank investors aggregated \$27 billions, including cash maturities of marketable issues, redemptions of savings bonds and savings notes, and sales in the market. Commercial banks and Federal Reserve Banks absorbed \$24 billions of Federal securities during the fiscal year 1944, partly purchased directly from the Treasury and partly acquired in the market. This bank absorption of \$24 billions was 39 percent of net Federal borrowing as compared with 49 percent in the fiscal year 1943. A further analysis of net absorption of Federal securities is shown in the following section.

*Ownership of Federal securities by investor classes*

The following table shows the estimated ownership of interest-bearing securities issued or guaranteed by the United States Government for the end of each fiscal year, 1940 through 1944.

*Ownership of Federal securities<sup>1</sup> by investor classes as of June 30, 1940 through 1944*

Class of investor	June 30				
	1940	1941	1942	1943	1944
In billions of dollars					
A. Ownership:					
1. Nonbank investors:					
a. Individuals <sup>2</sup> .....	9.7	11.1	18.2	30.3	45.1
b. Corporations <sup>3</sup> .....	2.6	2.4	5.4	15.7	25.7
c. State and local governments.....	.3	.4	.6	1.3	3.2
d. Federal agencies and trust funds.....	7.1	8.5	10.6	14.3	19.1
e. Insurance companies.....	6.5	7.1	9.2	13.1	17.3
f. Mutual savings banks.....	3.1	3.4	3.9	5.3	7.3
g. Total nonbank investors.....	29.3	32.9	47.8	80.0	117.7
2. Banks:					
a. Commercial banks.....	16.1	19.7	26.0	52.2	68.4
b. Federal Reserve Banks.....	2.5	2.2	2.6	7.2	14.9
c. Total banks.....	18.6	21.8	28.7	59.4	83.3
3. Total interest-bearing debt outstanding.....	47.9	54.7	76.5	139.5	201.1
Percent of total					
B. Percent owned by:					
1. Nonbank investors:					
a. Individuals <sup>2</sup> .....	20	20	24	22	22
b. Corporations <sup>3</sup> .....	5	4	7	11	13
c. State and local governments.....	1	1	1	1	2
d. Federal agencies and trust funds.....	15	16	14	10	9
e. Insurance companies.....	14	13	12	9	9
f. Mutual savings banks.....	6	6	5	4	4
g. Total nonbank investors.....	61	60	62	57	59
2. Banks:					
a. Commercial banks.....	34	36	34	37	34
b. Federal Reserve Banks.....	5	4	3	5	7
c. Total banks.....	39	40	38	43	41
3. Total interest-bearing debt outstanding.....	100	100	100	100	100

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Comprises interest-bearing public debt and guaranteed obligations of the United States Government.

<sup>2</sup> Includes unincorporated business, partnerships, and personal trust accounts.

<sup>3</sup> Includes associations, dealers and brokers, and investment of foreign balances in this country.

During the period covered in the table the amount of Federal securities outstanding increased from \$48 billions to \$201 billions. Of the \$201 billions, nonbank investor classes owned an estimated \$118 billions and commercial and Federal Reserve Banks accounted for \$83 billions. Commercial banks were the largest holders of Federal securities in June 1944, accounting for \$68 billions of the total amount outstanding. Individuals were second with \$45 billions and corporations (including associations, etc.) accounted for \$26 billions. The latter figure excludes \$17 billions of securities held by insurance companies and \$7 billions held by mutual savings banks.

Total securities outstanding on June 30, 1944, were four times as great as four years previously. Corporations' holdings were ten times as large and individuals' holdings almost five times as large at the end of the fiscal year 1944 as they were June 30, 1940. Despite the large increase in securities outstanding, nonbank investors continued to hold about 60 percent of the total.

The net absorption of Federal securities by the various investor classes during the last four fiscal years is summarized in the following table.

*Net absorption of Federal securities<sup>1</sup> by investor classes, fiscal years 1941 through 1944*

Class of investor	1941	1942	1943	1944
In billions of dollars				
A. Estimated absorption by:				
1. Nonbank investors:				
a. Individuals <sup>2</sup> .....	1.4	7.1	12.2	14.8
b. Corporations <sup>3</sup> .....	— .2	3.0	10.3	10.0
c. State and local governments.....	.1	.2	.7	1.9
d. Federal agencies and trust funds.....	1.4	2.1	3.7	4.8
e. Insurance companies.....	.6	2.0	3.9	4.1
f. Mutual savings banks.....	.3	.5	1.4	2.0
g. Total nonbank investors.....	3.6	14.9	32.2	37.7
2. Banks:				
a. Commercial banks.....	3.6	6.4	26.2	16.2
b. Federal Reserve Banks.....	— .3	.5	4.6	7.7
c. Total banks.....	3.2	6.8	30.7	23.9
3. Total increase in interest-bearing debt outstanding.....	6.9	21.8	63.0	61.6
Percent of total				
B. Percent absorbed by:				
1. Nonbank investors:				
a. Individuals <sup>2</sup> .....	20	33	19	24
b. Corporations <sup>3</sup> .....	—3	14	16	16
c. State and local governments.....	1	1	1	3
d. Federal agencies and trust funds.....	20	10	6	8
e. Insurance companies.....	9	9	6	7
f. Mutual savings banks.....	4	2	2	3
g. Total nonbank investors.....	52	69	51	61
2. Banks:				
a. Commercial banks.....	52	29	42	26
b. Federal Reserve Banks.....	—4	2	7	13
c. Total banks.....	48	31	49	39
3. Total increase in interest-bearing debt outstanding.....	100	100	100	100

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Comprises interest-bearing public debt and guaranteed obligations of the United States Government.

<sup>2</sup> Includes unincorporated business, partnerships, and personal trust accounts.

<sup>3</sup> Includes associations, dealers and brokers, and investments of foreign balances in this country.

As indicated in the table, in the fiscal year 1944 nonbank investors increased their absorption of Federal securities by more than \$5 billions over the preceding year although total borrowing actually declined slightly. Accordingly, net borrowing from banks decreased significantly during the fiscal year. As noted previously, banks provided for 39 percent of total borrowing in the fiscal year 1944 as compared with 49 percent in the fiscal year 1943.

The improvement in the effectiveness of the borrowing program with respect to sales to nonbank investors is even more striking when allowance is made for the fact that a significant portion of the borrowing from banks represented funds used to build up the Federal General Fund balance rather than to cover Federal expenditures. This is particularly important from the point of view of inflation control, since funds borrowed from the banking system to increase the General Fund balance are immobilized until such time as they may be drawn on for expenditures. In the last four fiscal years total borrowing from banks aggregated \$65 billions, but during the same period the General Fund balance increased by \$18 billions. Thus, funds borrowed from banks and expended aggregated \$46 billions during the period. Federal expenditures which were financed by increases in the interest-bearing debt during these four years amounted to \$135 billions. Nonbank investors purchased enough Federal securities to cover almost two-thirds of these expenditures, with bank investors accounting for the remaining one-third. As indicated previously, a large part of this bank borrowing was necessary to provide extra money (currency and checking accounts) to accompany the large increase in business activity. The table below presents the figures for each of the last four fiscal years.

*Analysis of Federal expenditures financed by increases in interest-bearing debt, fiscal years 1941 through 1944*

[Dollars in billions]

	1941	1942	1943	1944	Total 4 fiscal years
A. Federal expenditures financed by increases in interest-bearing debt:					
1. Total Federal expenditures <sup>1</sup> .....	\$13.8	\$34.2	\$79.7	\$95.3	\$222.9
2. Less: Expenditures financed by:					
a. Net budgetary receipts.....	7.6	12.8	22.3	44.1	86.8
b. Miscellaneous sources <sup>2</sup> .....	(*)	(*)	1.0	.2	1.2
3. Equals: Expenditures financed by increases in interest-bearing debt.....	6.1	21.4	56.4	50.9	134.9
B. Distribution of increases in interest-bearing debt used to finance expenditures:					
1. Borrowing from nonbank investors.....	3.6	14.9	32.2	37.7	88.4
2. Plus: Remainder covered by borrowing from banks: <sup>3</sup>					
a. Total borrowing from banks.....	3.2	6.8	30.7	23.9	64.7
b. Less: Increase in General Fund balance.....	.7	.4	6.5	10.7	18.3
c. Equals: Remainder covered by borrowing from banks.....	2.5	6.5	24.2	13.2	46.4
3. Equals: Total increases in interest-bearing debt used to finance expenditures.....	6.1	21.4	56.4	50.9	134.9
Percent covered by nonbank borrowing.....	59%	70%	57%	74%	66%

NOTE.—Figures are rounded and will not necessarily add to totals.

\* Less than \$50 millions.

<sup>1</sup> Includes net outlays of Government corporations and credit agencies, other than for net sales and redemptions of obligations in the market.

<sup>2</sup> Increases in noninterest-bearing debt plus net receipts of trust and miscellaneous funds, less net outlays of Government corporations and credit agencies for net sales and redemptions of obligations in the market.

<sup>3</sup> Commercial banks and Federal Reserve Banks.

## GENERAL FUND

The General Fund includes all moneys of the Government deposited with and held by the Treasurer of the United States, including the moneys covered into the Treasury which can be withdrawn only in pursuance of an appropriation by Congress. Every receipt of the Treasury, from whatever source, and every expenditure, of whatever nature, affect either the assets or liabilities, or both, of the General Fund shown in the daily statement of the Treasury. The total amount of the assets over and above the total amount of the liabilities represents the balance in the General Fund available to meet Government expenditures for general, special, and trust accounts, etc.

The assets in the General Fund consist of gold, silver, currency, coin, unclassified collection items, etc., and deposits, to the credit of the Treasurer of the United States and other Government officers, in Federal Reserve Banks, special depositaries account of sales of Government securities, national and other bank depositaries, foreign depositaries, and the treasury of the Philippine Islands.

The liabilities of the General Fund consist of outstanding Treasurer's checks, deposits of certain Government officers composed of balances to the credit of the Post Office Department, the Board of Trustees of the Postal Savings System, and postmasters, clerks of courts, disbursing officers, etc., and uncollected items, exchanges, etc.

The balance in the General Fund is classified according to increment on gold, seigniorage, and working balance.

The net change in the balance of the General Fund from the beginning to the close of the fiscal year is accounted for as follows:

*Analysis of the change in the General Fund balance between June 30, 1943, and June 30, 1944*

[On basis of daily Treasury statements, see p. 519. For a description of accounts through which Treasury transactions are effected, see p. 520]

Balance June 30, 1943.....		\$9,506,565,926.06
Add:		
Receipts, net, <sup>1</sup> general and special accounts.....		41,148,926,968.07
Receipts, trust accounts, etc.....		5,052,721,588.47
Net increase in gross public debt.....		64,307,296,891.23
		<hr/> 123,015,511,373.83
Deduct:		
Expenditures- general and special accounts.....	\$93,743,514,863.84	
Less statutory debt retirements (sinking fund, etc.).....	1,650.00	
	<hr/> 93,743,513,213.84	
Expenditures, trust accounts, etc.....	9,103,446,537.69	
	<hr/> 102,846,959,751.53	
Balance June 30, 1944.....		<hr/> 20,168,551,622.30

<sup>1</sup> Exclusive of employment taxes collected and deposited as provided under sec. 201 (a) of the Social Security Act Amendments of 1939 less reimbursements to the General Fund for administrative expenses. Such net amount is included in "Trust accounts, etc." on the following line.

A comparative analysis of the assets and liabilities and the balance of the General Fund is shown for the beginning and close of the fiscal year in the table on page 728 of this report.

# SECURITIES OWNED BY THE UNITED STATES AND PROPRIETARY INTEREST IN GOVERNMENT CORPORATIONS AND CREDIT AGENCIES

## *Securities owned*

On June 30, 1944, the United States owned securities consisting of capital stock, bonds, etc., of Government corporations and agencies and indebtedness to the Government by railroads, farmers, shipowners, and others, in the net face amount of \$13,321 millions; and obligations of foreign governments in the principal amount of \$12,660 millions. A statement of the securities owned, exclusive of foreign obligations, at the end of the fiscal year 1944 is shown in the table on page 732. A summary of the holdings of securities at the end of the last two fiscal years is shown in the following table.

*Summary of securities owned by the United States Government, exclusive of foreign obligations, June 30, 1943 and 1944*

Security	June 30, 1943	June 30, 1944	Increase or decrease (—)
Capital stock of Government corporations.....	\$2, 106, 371, 183. 31	\$2, 099, 634, 942. 52	—\$6, 736, 240. 79
Paid-in surplus of Government corporations.....	142, 617, 869. 23	136, 096, 791. 06	—6, 521, 078. 17
Bonds and notes of Government corporations.....	7, 535, 144, 623. 79	10, 717, 259, 623. 79	3, 182, 115, 000. 00
Other securities <sup>1</sup> .....	1, 271, 491, 781. 96	1, 237, 280, 877. 24	—34, 210, 904. 72
Total all securities.....	11, 055, 625, 458. 29	14, 190, 272, 234. 61	3, 134, 646, 776. 32
Less interagency ownership:			
Capital stock.....	459, 841, 000. 00	461, 091, 000. 00	1, 250, 000. 00
Paid-in surplus.....	1, 000, 000. 00	1, 000, 000. 00	—
Other securities.....	473, 492, 576. 84	407, 547, 146. 16	—65, 945, 430. 68
Total interagency ownership.....	934, 333, 576. 84	869, 638, 146. 16	—64, 695, 430. 68
Net securities owned.....	10, 121, 291, 881. 45	13, 320, 634, 088. 45	3, 199, 342, 207. 00

<sup>1</sup> Includes loans and advances by Farm Security Administration, Rural Electrification Administration, Federal Works Agency, etc.

In accordance with the acts approved February 24, 1938 (52 Stat. 79), and March 28, 1941 (55 Stat. 55), the Secretary of the Treasury canceled during the year obligations of the Reconstruction Finance Corporation amounting to nearly \$3 millions, representing expenditures previously made by the Corporation. This brought the total of the obligations of the Reconstruction Finance Corporation canceled to \$2,784 millions, as shown in the following table.

Reconstruction Finance Corporation:		<i>Amount</i>
Obligations canceled to June 30, 1943.....		<sup>1</sup> \$2, 781, 442, 007. 21
Obligations canceled during 1944 pursuant to the act of Feb. 24, 1938, on account of expenditures for—		
Federal Housing Administrator (sec. 4 of National Housing Act).....	\$175, 000. 00	
Expenses of regional agricultural credit corporations (sec. 201 (c) of Emergency Relief and Construction Act of 1932; sec. 33 of Farm Credit Act of 1937).....	2, 710, 000. 00	
		2, 885, 000. 00
Total to June 30, 1944.....		2, 784, 327, 007. 21

<sup>1</sup> For detail of cancellations, see annual reports for fiscal years 1943 p. 113; 1942 p. 41; 1941 p. 51; and 1940 pp. 114-115.



*Proprietary interest in Government corporations and credit agencies*

In order to reflect the amount of the Government's interest in Government corporations and credit agencies, the Treasury compiles from reports received from such agencies a "Combined Statement of Assets and Liabilities of Government Corporations and Credit Agencies of the United States," which is published in the daily Treasury statement. (See page 148.) This statement shows the amount and classification of the assets and liabilities of the various agencies, the privately owned proprietary interest in such agencies, and the proprietary interest of the United States. The statement as of June 30, 1944, appears as table 91 beginning on page 758, and a summary table of the Government's proprietary interest in such agencies as of June 30, 1933 through 1944, appears as table 92 on page 768 of this report.

**MONETARY DEVELOPMENTS***International monetary cooperation*

*Stabilization agreements.*—Through the renewal of expiring stabilization agreements and through operations conducted under the existing stabilization and monetary agreements, the Treasury continued, during the fiscal year 1944, its established policy of cooperation with friendly foreign governments in the stabilization of their currencies.

On July 1, 1943, the stabilization agreement between the United States and Ecuador, originally entered into on February 27, 1942, was extended for one year through June 30, 1944. Under this agreement, the United States stabilization fund undertook to purchase Ecuadoran sucres up to an amount of \$5 millions for the purpose of stabilizing the United States dollar-Ecuadoran sucre exchange rate. At the close of the fiscal year, discussions looking to the further extension of this agreement had been initiated.

The stabilization agreement between the United States and Iceland, signed May 5, 1942, under which the United States stabilization fund undertook to purchase Icelandic kronur up to the amount of \$2 millions for the purpose of stabilizing the United States dollar-Icelandic krona exchange rate was extended for one year from July 1, 1943, through June 30, 1944.

The agreement of September 26, 1942, between the United States and Liberia was intended to facilitate the conversion of the Liberian currency system from a British coin basis to a United States dollar basis. Prior to the end of the fiscal year 1944 the purpose of the operations under this agreement had been achieved and by mutual consent the agreement was allowed to lapse on June 30, 1944. At that date, under an arrangement with the British Government, the British coins

acquired by the United States stabilization fund in accordance with the Liberian agreement were in process of being sold to the British Government for dollars as expeditiously as transport facilities permitted the delivery of the British coins.

The stabilization agreement between the United States and Brazil, originally entered into on July 15, 1937, for a five-year period and subsequently amended and extended to terminate July 15, 1947, was amended on November 24, 1943, to increase the amount of gold made available for sale to Brazil from \$200 millions to \$300 millions.

The assets and liabilities of the exchange stabilization fund as of June 30, 1943 and 1944, with supporting schedules, are shown in the table beginning on p. 730.

*Proposals for international currency and financial cooperation.*—The Secretary of the Treasury made public on August 20, 1943, a revised draft, dated July 10, 1943, of the Treasury's tentative proposal for an international stabilization fund of the United and Associated Nations. The revised draft was prepared by the technical experts of the Treasury in cooperation with the experts of other departments of the Government after extended discussions with the technical experts of nearly thirty countries. These technical, exploratory discussions were held in response to an invitation sent in March 1943 by the Secretary of the Treasury to the finance ministers of the United Nations and the countries associated with them, requesting them to send their experts to Washington to discuss the feasibility of international monetary cooperation along the lines suggested in the preliminary draft of the Treasury's tentative proposal, which was submitted concurrently for their study. While suggestions of the foreign technical experts were included in the revised version, the Secretary pointed out that the revised draft did not necessarily reflect the views of the experts of those countries, that it was in every sense still a preliminary document, and that it had not received the official approval of the Treasury or of the United States Government. (See exhibit 39, p. 354.)

A tentative proposal for a bank for reconstruction and development of the United and Associated Nations, prepared by the technical staffs of the Treasury and of other departments of the Government, was made public on November 23, 1943. This proposal was sent by the Secretary of the Treasury to the finance ministers of the United Nations and the countries associated with those nations with the request that it be studied by their technical experts. In his foreword, the Secretary stated that the primary aim of such an international bank should be to encourage private capital to go abroad for productive investment by sharing the risks of private investors and by participating with private investors in large ventures, and that the bank should perform only that part of the task which private capital could not do alone. The proposal outlined a plan for the establish-

ment of a bank with a capital of about \$10 billions to be subscribed by all countries which become members. (See exhibit 40, p. 365.)

On April 21, 1944, the Secretary appeared before the Senate Committees on Foreign Relations and Banking and Currency, and the Special Senate Committee on Post-War Economic Policy and Planning, and before the House of Representatives Committees on Foreign Affairs, Ways and Means, Banking and Currency, and Coinage, Weights and Measures, and the Special House Committee on Post-War Economic Policy and Planning to report the progress of the discussions on the fund and bank proposals. He stated that technical experts of the United Nations had agreed upon a set of basic principles for an international monetary fund and that progress was being made in the discussion of the proposal for a world bank. He expressed the hope that after studying the recommendations of the technical experts the governments of the United Nations would come to the conclusion that there was sufficient basis of agreement at a technical level to warrant the convening of a formal conference. The Secretary made public the joint statement by experts on the establishment of an international monetary fund of the United and Associated Nations. (See exhibit 41, p. 372.)

After further consultation among the representatives of the interested governments, the desirability of convening a formal conference became apparent and the President invited the United Nations and the nations associated with them to send delegates to the United Nations Monetary and Financial Conference to be held at Bretton Woods, N. H., beginning July 1, 1944. The President designated the Secretary of the Treasury as head of the American delegation to the Conference and in a letter to the Secretary, dated June 9, 1944, the President stated that it was his hope that the Conference would formulate for presentation to the participating governments definite proposals for an international monetary fund and possibly a bank for reconstruction and development. (See exhibit 42, p. 379.) At the close of the fiscal year, acceptances of the President's invitation had been received from 44 nations.

### *Domestic monetary events*

*One-cent piece.*—The coinage of the zinc-coated steel one-cent piece, which had been instituted in February 1943 as a war measure in order to conserve vital war metal, was discontinued on December 31, 1943, after the passing of the acute phase of the copper stringency. The coinage of copper-zinc one-cent pieces was resumed on January 1, 1944.

*Silver policy.*—Throughout the fiscal year 1944 the Treasury continued the policy inaugurated in April 1942 of putting all available silver into urgent war uses.

No new purchases of foreign silver were made during the year, thus permitting such silver to go into industrial and other uses. Similarly, the greater part of the silver produced in the United States during the fiscal year was left available for important war uses, since the Treasury's purchases of newly mined domestic silver under the act of July 6, 1939, amounted to only 861,294 ounces, i. e., about 2 percent of the total domestic production estimated at 42.8 million ounces.

Nearly 41 million ounces of silver were sold for war purposes under the provisions of the act of July, 12 1943, which authorized the President, through the Secretary of the Treasury, upon the recommendation of the Chairman of the War Production Board, to lease domestically or to sell, at a price of not less than 71.11 cents per fine ounce, silver held or owned by the United States.

*Lend-leasing of silver.*—Up to June 15, 1944, approximately 4,000 short tons of silver had been shipped by the United States to allied and friendly foreign countries under lend-lease arrangements for industrial and coinage purposes essential to the conduct of the war. On that date, the Secretary announced that the United States Government had agreed to lend-lease to the government of India 100 million ounces (approximately 3,429 tons) of silver to be used to maintain an adequate supply of coinage for the large number of United Nations forces in India and for India's expanded war production, and to help to keep prices stable in this important United Nations supply base and war theater. (See exhibit 43, p. 380.) All lend-leased silver is to be returned to the United States Treasury on an ounce-for-ounce basis after the end of the war as specified in the respective agreements.

*Military currencies.*—On August 2, 1943, it was announced that the allied expeditionary forces in Sicily were introducing in the liberated regions an "Allied Military Currency," designated in terms of the local monetary unit, the lira. The currency was prepared in the Bureau of Engraving and Printing, to be used by the allied forces for the payment of troops and for expenditures for local supplies and services and also to be used, if necessary, to supplement the regular lira currency in providing an adequate circulating medium.

The issuance and use of military currency is carefully controlled to insure that it is employed only for purposes essential to military operations or for the continued operation of essential trade and commerce and for Government administration. When the United States Army obtains allied military lire for expenditures for pay of troops and for the purchases of supplies and services in the area, the relevant appropriation of the War Department is charged with the dollar equivalent of such expenditures. In connection with all expenditures complete records are being kept and a detailed accounting procedure has been set up covering the issuance and use of this currency. These records also will facilitate the adjustment of other financial matters, such as

those for civil affairs, growing out of the military operations of the allied forces in the occupied area. (See exhibit 44, p. 380.)

When the allied troops landed in Normandy on June 6, 1944, they carried with them a supply of a new French franc currency to insure that adequate supplies of currency would be available for the pay of allied troops and for the purchase of local supplies and services. This currency is freely interchangeable with and is supplementary to the franc currency of the Bank of France.

On February 9, 1944, it was announced that the special Hawaiian series of United States currency had been taken by American marines, sailors, and soldiers into Central Pacific strongholds from which the Japanese had been driven. This currency, originally introduced in Hawaii in July 1942, consists of United States silver certificates and Federal Reserve notes bearing the distinctive overprint "Hawaii" on each end of the face and across the reverse side of the bills. This step was taken to facilitate identification of the currency being used in combat areas and to make easier the isolation of this particular currency should it fall into enemy hands. (See exhibit 45, p. 383.)

A discussion of developments in foreign funds control will be found on page 126.

### TAXATION DEVELOPMENTS

During the fiscal year 1944 two major tax measures became law: the Revenue Act of 1943 on February 25, 1944, and the Individual Income Tax Act of 1944 on May 29, 1944. The evolution of these acts and their provisions are summarized under the following headings: I. Development of the 1943 revenue program; II. Major features of the Revenue Act of 1943; III. Development of simplification plans; and IV. Major features of the Individual Income Tax Act of 1944. A summary of other revenue laws enacted during the fiscal year 1944 is presented under a fifth heading: V. Other revenue legislation.

#### *I. Development of the 1943 revenue program*

Initially, in January 1943, the Administration's goal for additional revenue was stated in the President's Budget Message as "not less than \$16 billions of additional funds by taxation, savings, or both, during the fiscal year 1944." After passage in June of the Current Tax Payment Act of 1943, which served to postpone Congressional consideration of the 1943 general revenue program, a revenue goal of \$12 billions was adopted.<sup>1</sup> As presented to the House Ways and Means Committee in October 1943, the Administration's program called for \$10.5 billions of added revenue in a full year of operation. The Revenue Act of 1943, as passed over the President's veto in February 1944, provided added revenues estimated at \$2.2 billions per year (without

<sup>1</sup> For a discussion of developments relative to the Current Tax Payment Act of 1943, see the Annual Report of the Secretary of the Treasury for 1943, pp. 106-111.

taking into account the postponement of automatic increases in social security payroll taxes and the potential cost of the special relief provisions in the act).

*A. Budgetary developments.—*

With the rapid approach to full mobilization during 1942 and 1943 came correspondingly rapid expansion of Government expenditures. Estimates of expenditures for the fiscal year 1943 rose from \$59 billions in the Budget Message for 1943 to \$80 billions in the Budget Message for 1944; estimates of net receipts under then-existing revenue laws rose from \$16.5 billions to \$23 billions.

Expenditures for the fiscal year 1944 in the Budget Message for that year were estimated at \$104 billions and net receipts at \$33 billions; in other words, net receipts were estimated at 32 percent of expected expenditures. In calling for at least \$16 billions of additional funds by taxation, savings, or both, for 1944, the President in the Message stated that this goal was set with the view to checking inflationary spending and raising current revenues to 50 percent of expenditures. By reducing the volume of additional borrowing and by supporting the stabilization program, the \$16 billion program would also aid in making post-war problems manageable.

Revised estimates of receipts and expenditures for the fiscal year 1944, taking into account the provisions of the Current Tax Payment Act of 1943 (approved June 9, 1943), and other developments, were issued in the Statement by the President on the Summation of the 1944 Budget on August 1, 1943. Although expenditures estimates remained at \$104 billions, net receipts estimates were revised upward \$5 billions to \$38 billions, or 37 percent of expected expenditures. In the Statement, the President reiterated the need for "a truly stiff program of additional taxes, savings, or both," pointing out that such a program was urgently needed further to absorb purchasing power "as a deterrent to bidding up prices and resorting to the black market."

Budget figures were revised again in November 1943, when the Budget Director announced estimates placing net receipts at \$41 billions and total expenditures at \$98 billions, a ratio of net receipts to expenditures of 42 percent.

*B. Development and presentation of Treasury proposals.—*

Alternative plans for raising \$16 billions of additional annual revenue were developed by the Treasury and discussed with other executive agencies late in 1942, but were tabled pending the settlement of the pay-as-you-go issue. Discussions of the general revenue program were formally resumed in June 1943. The Congressional committees decided at that time to postpone hearings on general revenue legislation until late summer or early fall. Discussions throughout the summer of 1943 centered around a goal of \$12 billions, the reduction

from \$16 billions having been made on the basis of revisions in revenue estimates taking account of the Current Tax Payment Act.

The Treasury sought the views of other executive departments on taxation in a series of conferences during August and September 1943. In these and other conferences during September, Treasury revenue proposals were discussed and the Administration program calling for \$10.5 billions in additional revenue annually was developed. The reduction from the \$12 billions goal took effect entirely in the individual income tax proposals, the consensus being that inequalities in ability to pay ruled out the tax rates necessary to reach the higher goal.

The \$10.5 billions revenue program was presented to the House Ways and Means Committee in a statement by the Secretary of the Treasury on October 4, 1943. (See exhibit 46, p. 384.) Judge Vinson, Director of Economic Stabilization, appeared before the committee October 6 and 7 "in support of the program recommended by the Secretary." The Treasury's revenue proposals, for the most part, were not adopted by the Ways and Means Committee of the House of Representatives or the House; the House bill (H. R. 3687) provided for about \$2 billions in additional annual revenues. In a statement to the Senate Finance Committee, November 29, 1943, the Secretary of the Treasury reiterated the need for at least \$10.5 billions in added revenue. (See exhibit 47, p. 416.) Action by the Senate Finance Committee and the Senate did not increase materially the yield of the House bill.

In addition to its statements on the general revenue program the Treasury expressed its position on several other revenue matters. With respect to individual income tax simplification, the Treasury in September 1943 suggested to the Ways and Means Committee several alternative methods of simplifying the 1943 Victory tax; made additional recommendations in the Secretary's statement of October 4; and on November 29 and December 15, 1943, presented further views on alternative methods of integrating the Victory tax with the regular income tax structure. (For the November 29 statement, see exhibit 48, p. 420.)

On the subject of renegotiation of war contracts a statement of the Treasury position was made to the Ways and Means Committee on September 10, 1943 (see exhibit 49, p. 446), and the attitude of the Treasury on the amendments to the renegotiation statute proposed by the Senate Finance Committee was expressed in a press release of December 20, 1943.

The Secretary of the Treasury made a statement favoring expanded social security benefits and increased payroll taxes as a part of his general statement of October 4 to the Ways and Means Committee. He also reiterated the Treasury's opposition to the sales tax in a sup-

plementary statement before the Senate Finance Committee on November 29. (See exhibit 47, Supplemental Statement I, p. 418.)

The Treasury also submitted several analytical studies for the use of the congressional committees. Of these studies the following are published in the *Hearings* on Revenue Revision of 1943 before the Committee on Ways and Means: (1) "The Need for More Taxes," pages 23-52; (2) "Taxation of Increases in Individual Incomes," pages 90-107; (3) "Post-war Expenses Related to Wartime Income," pages 135-169; and (4) "Considerations Respecting a Federal Retail Sales Tax," pages 1095-1272.

### C. *Treasury proposals.*—

#### 1. GENERAL STATEMENT.

The program recommended by the Treasury to raise an additional \$10.5 billions annually was made up as follows:

	<i>Increase over yield of existing law (in millions)</i>
Individual income tax.....	\$6, 529
Corporation taxes.....	1, 138
Estate and gift taxes.....	402
Excise taxes.....	2, 492
Total.....	10, 561

The Secretary of the Treasury stated that if payroll taxes were increased (as he recommended in a supplementary statement), the proposed \$6.5 billions schedule of income taxes would have to be reduced to avert the burden of excessive taxation on lower income groups. In addition to the revenue recommendations, the Secretary made other suggestions to reduce the complications in our tax laws.

The Secretary of the Treasury pointed out that the tax proposals he was presenting had been measured against (1) the ability of the proposals to raise money and to combat inflation, (2) the degree to which they might interfere with war production, (3) their impact on people with fixed incomes or fixed obligations and on people with inadequate incomes, and (4) their practicability and cost from the standpoint of administration.

#### 2. INDIVIDUAL INCOME TAX.

The chief reliance for additional revenue, to the extent of almost two-thirds of the Treasury's 1943 program, was placed on the individual income tax. To lessen the ultimate impact of the increased tax on the lower income groups and to provide equitable current relief for persons with fixed incomes, the Treasury developed suggestions for a post-war credit or refund of part of the tax, the credit to be taken currently where income had not increased substantially. Moreover, with the more-than-tenfold expansion of the number of taxpayers and the introduction of current collection, it became urgently necessary to simplify the tax.



Accordingly, the Treasury proposed (1) repeal of the Victory tax, (2) repeal of the earned income credit, (3) reduction of exemptions for married persons and dependents, (4) increased surtax rates throughout the scale, and (5) withholding at graduated rates from salaries and wages. Two different suggestions for post-war refund of part of the income tax were also submitted.

a. CHANGES IN RATES, EXEMPTIONS, AND CREDITS.

No increase in the normal tax rate of 6 percent was proposed, but increases in surtax rates were proposed for all brackets. As in 1942, it was again recommended that, to make the progression more gradual in the lower end of the income scale, the first bracket of surtax income, 0 to \$2,000, be divided into \$500 brackets. Surtax rates on the first \$500 bracket were to be increased from 13 to 21 percent, and on the fourth \$500 from 13 to 30 percent. In the range from \$2,000 to \$60,000, surtax rate increases of approximately 20 percentage points were proposed. In the top bracket (\$200,000 and over) the proposed rate change was from 82 to 90 percent. At the same time, repeal of the Victory tax (levied at net rates of approximately 3 percent) was recommended.

It was further recommended that the exemption for married persons be lowered from \$1,200 to \$1,100 and the dependent credit from \$350 to \$300, the single person's exemption to remain unchanged at \$500. Repeal of the 10 percent earned-income credit was also urged.

b. VICTORY TAX.

The Treasury felt that the complicated Victory tax offered the major opportunity for prompt simplification of compliance operations for millions of income taxpayers. In September 1943, the Treasury laid before the Ways and Means Committee several alternative methods of simplifying the 1943 Victory tax without materially affecting burdens. The suggestion adopted by the Ways and Means Committee (and later enacted) was to change the 1943 Victory tax to accord with the assumption that all post-war credits could be taken currently. This action reduced the complexity of the Victory tax computation on 1943 returns. The further Treasury suggestion that the 1943 Victory tax be changed to a flat 3 percent was not adopted at that time, but was later incorporated for 1944 in the Revenue Act of 1943.

In his statement of October 4, 1943, the Secretary of the Treasury urged the repeal of the Victory tax as the foremost step toward tax simplification. It was pointed out that repeal would also relieve 9 million lower income families from the income tax. The \$300 millions previously payable by these families was to be absorbed in

the proposed schedule of surtax rates combined with the proposed lowering of exemptions. The proposal was not accepted by the Congress.

As passed by the House, the revenue bill (H. R. 3687) substituted for the Victory tax a new minimum tax designed to retain on the tax rolls the 9 million taxpayers who would have been dropped under the Treasury proposals. In its statement to the Senate Finance Committee on November 29, 1943 (see exhibit 48, p. 420), the Treasury opposed the minimum tax provisions because of their complexity and urged again that the Victory tax be dropped and that the income tax be adjusted to absorb the Victory tax burden. It was urged that this step be taken whether or not more far-reaching changes in the surtax scale were made. A further analysis of the complications of the minimum tax was submitted to the Senate Finance Committee on December 15, 1943. The Committee accepted neither the minimum tax nor the Treasury's integration plan. However, it changed the Victory tax to a flat 3 percent rate for all persons regardless of marital or dependency status, a step which the Treasury considered preferable to adoption of the minimum tax.

#### C. OTHER SIMPLIFICATION PROPOSALS.

The Treasury again, as it had in 1942, urged the Congress to eliminate the earned-income credit and thus permit the consolidation of the normal tax and surtax into a single tax schedule. Since the law designated the first \$3,000 of net income as earned net income regardless of its source, the credit was deprived of its chief significance, yet it continued to complicate tax returns and computations.

A further change recommended to simplify compliance was the withholding of taxes from wages and salaries at graduated rates. This move would have increased by several millions the number of taxpayers kept on a strictly current basis by withholding and would have correspondingly reduced the number of persons required to file declarations of estimated tax.

#### D. POST-WAR CREDITS.

To lighten the ultimate burden of the proposed tax increases on the lower income groups, the Treasury suggested two alternative post-war credit plans as possibilities for the Committee's consideration. One suggestion would have granted post-war credits of \$2.3 billions by refunding after the war 50 percent of the first \$50 of tax, plus 25 percent of the next \$50, plus 5 percent of the balance, with a maximum credit of \$250. The other suggestion would have granted post-war credits of \$3.5 billions by refunding 50 percent of the first \$50 of tax, plus 25 percent of the next \$150 of tax, plus 10 percent of the balance, with a maximum credit of \$400.

It was further suggested that if a post-war credit were adopted special provision should be made to allow immediate use of the post-war credit for tax payment where the taxpayer's income had not increased substantially.

#### e. TAXATION OF INCREASES IN INCOME.

The Ways and Means Committee on July 6, 1943, directed the tax staffs of the Joint Committee on Internal Revenue Taxation and of the Treasury Department to study the problem of taxing increases in individual income. In a series of conferences in July, August, and September, the staffs were unable to find a satisfactory method of isolating and taxing such increases. The Treasury submitted a study to the Ways and Means Committee on October 4, 1943, entitled "Taxation of Increases in Individual Income." The study pointed out the advantages and disadvantages and especially the technical difficulties of such a tax, reaching the conclusion that "the tax on wartime income increases is, on balance, undesirable." However, the suggestion of the Secretary of the Treasury that persons with fixed incomes should be allowed to use currently any post-war credit that might be provided was designed to prevent proposed rate increases from bearing too harshly on persons whose incomes had not risen during the war.

#### f. OTHER CHANGES.

Disallowance of the deduction for Federal excise taxes paid except where incurred as a trade or business expense or in the production of income was recommended by the Treasury. This was incorporated in the tax bill by the House.

The Treasury approved of several changes made by the Senate in the penalties relating to the declaration and payment of estimated tax. The most important of these permitted the taxpayer to use without penalty his preceding year's income as the basis for his current-year declaration of estimated tax. Persons with unpredictable incomes were thus given a means of estimating their tax without incurring the risk of a penalty.

The Treasury approved of a provision inserted in the revenue bill of 1943 granting special treatment for back pay exceeding 15 percent of an individual's gross income. The provision limited the tax attributable to such back pay to an amount computed as if the back pay had been included in the gross income of the taxable years to which such pay is attributable.

### 3. CORPORATION TAXES.

In his statement of October 4, 1943, the Secretary of the Treasury recommended that corporation taxes be increased. He pointed out that despite increases in taxes, net corporation income after taxes had risen greatly since 1939 and that additions to capital out of

earnings would amount to an estimated \$11 or \$12 billions for the 3 years, 1941, 1942, and 1943. He, therefore, recommended increases in corporation taxes designed to raise an additional \$1.1 billion, but at the same time urged that small corporations be given special favorable treatment.

#### a. RATES, EXEMPTIONS, AND CREDITS.

The Treasury recommended that the surtax on larger corporations (those with net income in excess of \$25,000) be increased by 10 percentage points to raise the combined normal and surtax rate from 40 to 50 percent. On smaller corporations the increase suggested was 4 percentage points. No change in excess-profits tax rates was recommended.

The bill passed by the House made no change in the surtax rates but raised the excess-profits tax rate from 90 to 95 percent. The House also reduced, by one percentage point, the excess-profits credit allowed on invested capital for corporations with more than \$5 millions but no more than \$200 millions of invested capital, and raised the specific exemption for excess-profits taxes from \$5,000 to \$10,000. In its statement before the Senate Finance Committee on November 29, 1943, the Treasury endorsed the increase in the specific exemption (which had been recommended by the Treasury in 1942) and also the reductions in the invested-capital credit. However, the action of the House in increasing excess-profits taxes rather than surtaxes was opposed on the grounds: (1) That the change would increase tax liabilities for comparatively few corporations, (2) that excess-profits tax increases would not strike corporate profits generally but only a restricted segment of such profits, (3) that the corporate surtax, because of its broad coverage and the fact that it reaches war profits that are not designated as excess profits in the tax law, offered greater assurance that all corporations which had benefited from the war would make an additional tax contribution, and (4) that an increase in the already high excess-profits tax rate would be more likely to impair incentives to efficient management than an increase in the substantially lower surtax rates.

#### b. CARRY-BACK OF LOSSES AND UNUSED EXCESS-PROFITS CREDITS.

In the Revenue Act of 1942 the Congress had adopted provisions allowing a 2-year carry-back of losses and unused excess-profits credits, under which many corporations would become eligible for tax refunds during the reconversion period. After studying these provisions the Treasury concluded that the benefits which the carry-backs were intended to give corporations with difficult reconversion problems would not be fully realized unless measures were adopted for speeding up the refunds. The proposed method for accelerating

refunds so as to make cash available at the time when it would be most needed, was outlined in the Treasury's statement of October 27, 1943, to the Subcommittee on War Contract Termination of the Senate Committee on Military Affairs. (See exhibit 50, p. 449.) It was proposed that a corporate taxpayer anticipating carry-back refunds by reason of a current decline in earnings should be permitted to postpone the payment of taxes currently due (on the income earned in the preceding year) in an amount equal to the estimated refund. The acceleration proposal was discussed by Treasury representatives before the House Ways and Means Committee and the Senate Finance Committee but was not incorporated in the revenue bill.

### C. TECHNICAL AND RELIEF PROVISIONS.

Both the House and the Senate inserted in the tax bill provisions designed to grant tax relief to certain types of corporations. A number of these measures were opposed by the Treasury. Several which were incorporated in the act as passed were also cited as objectionable by the President in his Message vetoing H. R. 3687. (See exhibit 51, p. 455.)

The Treasury pointed out that adjustments to provide tax relief are desirable in some cases to alleviate hardship and promote equity, but that reliefs improperly granted simply result in loss of revenue and inequitable distribution of tax burdens among business enterprises. It opposed the following proposals as unnecessary or unjustified:

(1) The extension of percentage depletion and excess-profits tax exemption to minerals not designated as "strategic" by the War Production Board.

(2) The granting of special excess-profits tax treatment, originally designed to take account of accelerated depletion of certain natural resources, to pipe-line companies transporting natural gas.

(3) The treatment of income from cutting of timber as a capital gain taxable at a maximum rate of only 25 percent.

(4) A provision prolonging excess-profits tax exemption for certain air lines holding Government contracts for mail transportation.

(5) A provision permitting reorganized corporations to use the adjusted cost basis of the predecessor corporation as the basis for computing depreciation and excess-profits credit.

(6) The allowance to railroads of full deduction against current income of capital losses on investments in securities of other railroads.

(7) The Senate amendment broadening greatly the excess-profits tax relief for new coal and iron properties and new timber tracts.

The Treasury indicated its approval of a technical provision in the House bill designed to discourage corporate acquisitions made for the purpose of avoiding income and excess-profits taxes. This provi-

sion disallowed benefits from an acquisition when its principal purpose was found to be tax avoidance.

#### 4. ESTATE AND GIFT TAXES.

The Treasury recommended that the estate tax exemption be reduced from \$60,000 to \$40,000 and that estate and gift tax rates be increased throughout the scale. The lowest rate, applicable to the first \$5,000 of net estate, would have been increased from 3 to 5 percent. Modest rate increases were proposed in the remaining lower brackets, e. g., on the portion of net estate from \$10,000 to \$15,000, from 11 to 12 percent. Sharper rate increases were proposed in the middle and higher brackets, e. g., \$70,000 to \$100,000, 28 to 37 percent; \$450,000 to \$500,000, 32 to 60 percent; \$900,000 to \$1,000,000, 37 to 75 percent; and \$2,000,000 to \$2,500,000, 49 to 80 percent. The maximum rate would have been increased from 77 to 80 percent, and would have applied to the portion of net estate over \$1,500,000 instead of over \$10,000,000, as under the law then in effect. It was further proposed that the differential between estate and gift tax rates be retained, i. e., that gift tax rates be set at three-quarters of the proposed estate tax rates.

#### 5. EXCISE AND SALES TAXES.

After making detailed analyses of different industries and considering the manner in which producers and consumers would be affected, the Treasury recommended that an additional \$2.5 billions be raised from excise taxes (*a*) by increasing rates and changing the bases of several existing excises and (*b*) by enacting new excises on soft drinks and on candy and chewing gum.

The Treasury regarded selective excises as a desirable source of additional war revenue for several reasons: (1) They involved only modest increases in administrative costs for the Government and in compliance costs for taxpayers, (2) their net effect would be to reduce rather than increase inflationary pressures, and (3) being levied on only a few nonessentials and thus giving consumers a real choice between paying higher taxes and decreasing their purchases, they would not cause hardship for consumers.

The sales tax was opposed by the Treasury because, in contrast to selective excises, it would (1) involve much greater administrative and compliance effort, (2) sharply increase the cost-of-living index (both directly and indirectly through increasing the farm parity index and through the impact on business costs) and would thus interfere with, rather than support, the Government's wartime stabilization program, and (3) impose hardship on lower income groups by forcing them to reduce their consumption of the necessities of life.

In selecting commodities and services for proposed excise taxation, the Treasury tried to avoid levies which would interfere with the

stabilization program. The Treasury recommended the repeal of the tax on the transportation of property, which had been enacted in 1942, on the ground that it disturbed existing price and competitive relationships and conflicted with the Government's efforts to stabilize prices.

The termination of numerous excise tax exemptions on sales of goods and services to the Federal Government was requested by the President in a letter dated August 11, 1943, to the Chairman of the Committee on Ways and Means. In order to save manpower used by the Federal Government and private business in administering these exemptions, it was recommended that the exemption of sales to Federal agencies from manufacturers' and retailers' excise taxes and from taxes on transportation and communications be ended.

#### 6. SOCIAL SECURITY TAXES.

In his October 4, 1943, statement to the Ways and Means Committee, the Secretary of the Treasury strongly urged that the social security system be amplified and extended and that payroll taxes be increased. On the ground that expansion of the system would contribute to the future security of American working men and farmers, and that it would also serve a useful purpose in combating inflation, the Treasury endorsed proposals for higher payroll taxes. At the same time, however, it was noted that, in order to avoid undue burdens on the low-income groups, the individual income tax increases proposed by the Treasury would have to be scaled down if payroll taxes were increased.

The increase in social security payroll taxes scheduled by statute for January 1, 1944, was postponed until March 1, 1944, by a joint resolution signed by the President December 22, 1943. Previously, on December 20, in a statement to the press the Secretary of the Treasury urged that Congress allow the scheduled increase to become effective. In the Senate, a provision further postponing these increases until January 1, 1945, was inserted into the tax bill and became part of the Revenue Act of 1943. In his message of January 10, 1944, transmitting the 1945 Budget to the Congress, the President strongly urged the retention of the social security rate increases scheduled by law.

#### 7. RENEGOTIATION OF WAR CONTRACTS.

At hearings on the renegotiation of war contracts before the Ways and Means Committee (held from September 9 to 21, 1943), the Treasury presented a statement of its views. Its recommendations related primarily to changes which had been proposed in the basic structure of renegotiation, namely, that renegotiation should be based on profits after (a) deducting all taxes and (b) allowing for reserves for post-war reconversion and contingencies. The Treasury opposed the proposal to deduct taxes on the grounds that (1) the Government

would in effect be paying the taxes of firms with excessive profits, (2) renegotiation would cease to be a procurement procedure and would encroach directly on the tax field, and (3) the Government would find it impossible to pursue sound pricing procedures on war contracts. On the subject of reconversion and contingency reserves, the Treasury pointed out that the effective consideration of allowances for these reserves required a broader setting than renegotiation and urged that the tax implications of this move be studied before final disposition of the problem was made.

At the hearings before the Senate Finance Committee on the Revenue Act of 1943, the Treasury suggested that the provision in the House bill resting the jurisdiction for contractors' appeals on renegotiation in The Tax Court of the United States was unwise and might endanger the prompt collection of revenue by overburdening that court. It was urged instead that jurisdiction over appeals be granted to the Court of Claims. The Treasury also concurred in the revisions recommended to the Finance Committee by the Joint Price Adjustment Board on which it was represented.

In a statement to the press on December 20, 1943, the Secretary of the Treasury characterized as unworkable and inequitable the extensive revisions in the renegotiation statute proposed by the Senate Finance Committee. Specific reference was made to (1) proposed adjustments which would reopen already settled cases and postpone final settlement on contracts for a number of years, (2) exemptions to makers of standard commercial articles, and (3) exemptions to subcontractors whose goods did not enter into the final product.

## II. *Major features of the Revenue Act of 1943*<sup>1</sup>

### A. *General statement.*—

The Revenue Act of 1943, which became law on February 25, 1944, over the Presidential veto, provided an estimated \$2.2 billions in additional revenue annually (not taking into account the revenue effects of its changes in payroll taxes and its special relief provisions). Approximately half of this increase took effect in the excise taxes, the other half consisting principally of income and excess-profits taxes and to a lesser extent of increased postal rates. The act froze the social security payroll taxes for old-age and survivors' benefits at existing levels for the calendar year 1944; amended the statute providing for renegotiation of war contracts; and made a number of technical amendments, including several designed to provide relief to certain corporate tax payers.

<sup>1</sup> The changes in rates, exemptions, and credits made by the 1943 act are shown in tabular form in exhibit 53, beginning on p. 458.



*B. Individual income tax.—*

## 1. RATES, EXEMPTIONS, AND CREDITS.

No changes were made in the normal and surtax rates on the income of individuals.

The tax withholding rate on the wages of nonresident aliens brought into the United States under authority of the War Manpower Commission was reduced from 30 to 10 percent on the gross amount of wages.

The personal exemptions and the dependent credit were left unchanged: \$500 for single persons, \$1,200 for married persons and heads of families, and \$350 for each dependent.

The date for determination of marital and dependency status was set at July 1 of the taxable year for purposes of all returns. Formerly taxpayers other than those filing on the simplified form (Form 1040A) were required to prorate the exemptions and credits if their status changed during the taxable year.

## 2. VICTORY TAX.

The Victory tax rate was reduced from 5 to 3 percent of Victory tax net income in excess of \$624, regardless of family status. The Victory tax base was not changed, but the current credits allowed against the Victory tax were repealed.

## 3. DEDUCTIONS.

The 1943 act introduced several new deductions from taxable income of certain groups of individuals. It provided a special deduction of \$500 from gross income for all blind persons. The amounts received as mustering-out payments for service in the military or naval forces of the United States were excluded from gross income. Also excluded were amounts received as cost-of-living allowances or post allowances by (1) clerks or employees in the Foreign Service of the United States, (2) ambassadors, ministers, diplomatic, consular or Foreign Service officers; and (3) other civilian officers or employees of the Government of the United States stationed outside the continental United States.

Under prior law Federal excise taxes paid were allowed as a deduction for income tax purposes to taxpayers upon whom they were legally imposed. The 1943 act repealed this deduction, except where the tax paid is a trade or business expense or is incurred in the production of income.

In the case of sole proprietors and partners, deductions (other than taxes and interest) attributable to a business operated at a loss of more than \$50,000 for each of five consecutive years are limited to a net loss of \$50,000 in any such year; and the net operating loss deduction under section 122 of the Internal Revenue Code, to the extent attributable to such business, is disallowed.

## 4. OTHER CHANGES.

Another provision of the Revenue Act of 1943 limits the tax attributable to back pay received or accrued by an individual during the taxable year. If the back pay exceeds 15 percent of the gross income for the taxable year, the maximum tax attributable to such back pay shall be the tax resulting from the inclusion of such amounts in the gross income for the taxable years to which the back pay is attributable. Back pay is defined to include (a) remuneration deferred for a variety of causes such as bankruptcy or receivership of the employer, litigation, or, where the employer is a government, for lack of funds, (b) retroactive pay increases ordered, recommended, or approved by a government agency, and (c) payments attributable to prior years arising out of violation of laws pertaining to fair labor standards or practices.

The penalties connected with the filing and payment of estimated tax under the Current Tax Payment Act of 1943 were revised. The penalty for substantial understatement of the tax was retained, but was made inapplicable where the tax is computed on the preceding year's income at current year's rates and exemptions, and is paid on time in equal quarterly installments, or is paid in advance. The penalties for failure to file a declaration and for failure to pay an installment of estimated tax were made more liberal by graduating them according to the length of time the failure continues, and by making them inapplicable where there is a reasonable cause for the delay.

The so-called second antiwindfall provision of the Current Tax Payment Act of 1943, relating to additional increase in 1943 tax where income was substantially increased in comparison with income for the base year, was repealed.

*C. Corporation taxes.—*

## 1. RATES, EXEMPTIONS, AND CREDITS.

No changes in corporate normal and surtax rates were made by the act. However, several changes were made in the excess-profits tax rates, exemption, and credits. The excess-profits tax rate was raised from 90 to 95 percent, thus increasing the net rate (after the 10 percent post-war credit) from 81 percent to 85.5 percent. The specific exemption was increased from \$5,000 to \$10,000. The act retained the 80 percent maximum effective rate limitation on combined corporate income and excess-profits taxes. The invested capital credit with respect to invested capital in excess of \$5,000,000 was revised as follows:

Invested capital	Prior law	Revenue Act of 1943
	<i>Percent</i>	<i>Percent</i>
First \$5,000,000.....	8	8
Next \$5,000,000.....	7	6
Next \$190,000,000.....	6	5
Over \$200,000,000.....	5	5

## 2. RELIEF PROVISIONS.

### a. EXCESS-PROFITS TAX.

A number of extensions were made in the relief afforded by the 1942 act to owners of gas, mineral, and timber properties. (1) Natural gas companies were permitted to exclude from the tax base nontaxable income from exempt excess output in the same manner as owners of coal and iron mines. (2) The owners of new coal and iron properties and of timber tracts (those not in operation for at least 6 months during the base period) were granted the same treatment as the owners of old properties and tracts. In the case of such new properties one-third of the current output was to be treated as excess output. (3) Lessors of any mineral properties or timber tracts were granted the same relief as had formerly been extended only to the operators of such properties or tracts. (4) To the list of strategic minerals, the producers of which are granted full excess-profits tax exemption, were added fluorspar, flake graphite, and vermiculite.

Under prior law, corporations subject to Title IV of the Civil Aeronautics Act were exempt from excess-profits tax if their income subject to excess-profits tax was equal to or less than compensation received from the United States for the transportation of mail by plane. This provision was extended by permitting such corporations to deduct the excess of mail compensation over income subject to excess-profits tax of 1 year from income subject to excess-profits tax of another year through the device of a carry-over or carry-back of unused excess-profits tax credit, but only for the purpose of determining whether the corporation is exempt from excess-profits tax in such other year.

### b. OTHER RELIEF.

Other relief provisions in the 1943 act broadened the statute permitting the use of the predecessor's basis of property for purposes of computing depreciation, capital gains and losses, etc., in the case of certain corporate reorganizations. The applicability of the statute granting this privilege to insolvent railroad corporations was extended back to include the taxable year beginning January 1, 1939. A statute was passed involving similar treatment for insolvency reorganizations other than of railroads, but this amendment was made applicable only to taxable years beginning in 1943 and thereafter. In the case of corporations reorganizing under section 77B of the

National Bankruptcy Act, an amendment permitted the reorganized taxpayer to retain the old basis of property without reduction for cancellation of debt, if the reorganization involved adjustment of the capital structure or debt structure without transfer of the assets to another corporation and was consummated prior to September 22, 1938.

In the case of gains from the sale or exchange of property pursuant to Federal Communications Commission order, it was provided that at the election of the taxpayer no gain should be recognized if the property disposed of were exchanged for other similar properties, or if the proceeds were either used to acquire other similar property or held in a replacement fund, or if the basis of other depreciable assets of the taxpayer were reduced to the extent of the money which was not so expended.

Relief was also extended to the owners of certain mineral properties under a provision extending percentage depletion for the duration of the war to producers of flake graphite, vermiculite, beryl, feldspar, mica, lepidolite, spodumene, talc, barite, and potash. Under another provision the furnacing of quicksilver and the cyanidation of gold were recognized as ordinary treatment processes for the purpose of determining gross income from such mineral properties.

Finally, taxpayers owning timber, or having the contract right to cut timber from the property of another, were permitted to elect to treat income from the cutting of timber in any taxable year as a capital gain rather than as ordinary income. The same treatment was granted to timber owners who disposed of standing timber under leasing contracts.

### 3. PREVENTION OF TAX AVOIDANCE.

With a view to discouraging corporate acquisitions made for the purpose of avoiding income and excess-profits taxes, it was specifically provided that the tax benefits from such acquisitions should be disallowed wholly or partially in cases where (a) control of a corporation has been acquired, and (b) the principal purpose of such acquisition is found to be tax avoidance.

### 4. OTHER CHANGES.

Other minor changes in the tax laws affecting corporations were: a provision permitting mutual fire insurance companies issuing perpetual premium policies to be taxed in the same manner as stock insurance companies other than life; the allowance of a deduction to corporations for gifts and contributions, whether or not for charitable purposes, to organizations of war veterans; and the disallowance of the credit for dividends paid on the preferred stock of public utilities with respect to arrearages dating back to taxable years ending prior to October 1, 1942.

*D. Estate and gift taxes.—*

No changes were made in the exemptions and rates of estate and gift taxes. However, two technical amendments were made to the estate and gift laws. An amendment to the estate tax law provided that in the case of unlisted stock and securities the value of which cannot be determined with reference to bid and asked prices or sales prices by reason of their not being listed on an exchange and of the absence of sales, the value thereof shall be determined by taking into consideration, in addition to other factors, the value of listed stock or securities of corporations engaged in the same or a similar line of business.

The gift tax was amended to provide that in the case of a trust created prior to January 1, 1939, if on and after January 1, 1939, no power to revest title to the property could be exercised either by the grantor alone, or in conjunction with any other person not having a substantial adverse interest in the disposition of the property or the income therefrom, then a relinquishment by the grantor on or after January 1, 1939, and prior to January 1, 1945, of power or control with respect to the distribution of such property or the income therefrom, shall not be deemed to constitute a transfer of property for gift tax purposes: Provided that if the trust was created or the power to revest the property in the grantor was relinquished while a gift tax law was in effect, the amendment is inapplicable unless (1) a gift tax was paid with respect to such creation or relinquishment which has not been credited or refunded, or a gift tax return was filed and the value reported did not exceed the specific exemption and exclusion claimed on that return, and (2) the grantor consents, in accordance with regulations prescribed, to treat the original transfer as having been a transfer of property subject to gift tax.

*E. Excise taxes.—*

Liquor taxes were increased to the following rates: Distilled spirits, \$9 per proof gallon; still wines, not more than 14 percent alcohol, 15 cents per wine gallon; still wines, more than 14 percent and not over 21 percent alcohol, 60 cents per wine gallon; still wines, more than 21 percent and not over 24 percent alcohol, \$2 per wine gallon; champagne or sparkling wine, 15 cents per half pint; artificially carbonated wine, 10 cents per half pint; liqueurs, cordials, and the like, 10 cents per half pint; fermented malt liquors, \$8 per barrel.

The rate on imported perfumes containing distilled spirits was increased to \$9 per wine gallon.

Floor stocks taxes on distilled spirits, wines, and fermented malt liquors were imposed at rates equal to the tax rate increases on these commodities.

The tax on admissions was increased to 1 cent for each 5 cents or major fraction thereof paid. The taxes on permanent use or lease

of boxes or seats in any place of amusement, and the sales of tickets outside of box offices were increased to 20 percent.

The 1943 act increased the cabaret tax to 30 percent of the total charge. This rate was later reduced to 20 percent, effective July 1, 1944, under a provision of the Public Debt Act of 1944.

Taxes on club dues and initiation fees were increased to 20 percent.

The tax on bowling alleys was increased to \$20 per alley, and the tax on billiard and pool tables to \$20 per table, except that the tax was made inapplicable to a billiard or pool table in a hospital if no charge was made for the use of such table.

Excise taxes on furs, toilet preparations, electric light bulbs and tubes, and jewelry, except on watches retailing at not more than \$65 and alarm clocks retailing at not more than \$5, were increased to 20 percent.

The manufacturers' excise tax on luggage was suspended; in lieu thereof a 20 percent retailers' excise tax was imposed.

Taxes on telegraph, telephone, radio, and cable facilities were increased as follows: Telephone or radiotelephone message or conversation for which the toll charge is more than 24 cents, domestic telegraph, cable or radio dispatches, and leased wire, teletypewriter, or talking circuit special service, to 25 percent; wire and equipment service, to 8 percent; local telephone service, to 15 percent.

The excise tax on transportation of persons was increased to 15 percent.

The manufacturers' excise tax on vacuum cleaners was repealed.

The increases in the excise taxes under the 1943 act are to end on the first day of the first month which begins 6 months or more after the termination of hostilities in the present war.

The 1943 act also terminated the exemption of sales to the Federal Government from manufacturers' and retailers' excises, import taxes, and taxes on pistols and revolvers, communications services, transportation of persons, and transportation of property, except in the case of articles sold under a contract entered into prior to the time such sales became taxable, or under any agreement supplemental to such contract bearing the same Government contract number. It further provided that the Secretary of the Treasury may authorize exemption if he determines that the imposition of the taxes will cause substantial burden or expense which can be avoided by granting tax exemption and that the full benefit of such exemption will accrue to the United States.

#### *F. Social security taxes.—*

The automatic 1 percent increase in social security payroll taxes scheduled for the calendar year 1944 by the Federal Insurance Contributions Act was further postponed until January 1, 1945.

G. *Renegotiation of war contracts.*—

Title VII of the Revenue Act of 1943 amended section 403 of the Sixth Supplemental National Defense Appropriations Act, 1942 (the Renegotiation Act), and Title VIII added a new section entitled "Repricing of War Contracts."

The act created a joint War Contracts Price Adjustment Board. It also established certain factors which should be taken into consideration in determining excessive profits. It exempted (a) contractors whose aggregate annual sales under war contracts were not in excess of \$500,000, replacing the figure of \$100,000 under prior law, (b) agricultural commodities up to the first stage where they have an established market, (c) contractors who are exempt under the Federal income tax law, and (d) construction contracts awarded under competitive bidding. Provision was made for the deduction of the amortization of emergency facilities as recomputed if the facility ceases to be necessary for national defense, or if hostilities cease prior to the end of the 5-year emergency period for that facility.

The act further provided for allowance in computing excessive profits of items "estimated to be allowable" as deductions for tax purposes (except the carry-backs of unused losses and excess-profits credits).

Procedural changes were also made which provided for appeal by an aggrieved contractor to The Tax Court of the United States (after discretionary review by the War Contracts Price Adjustment Board created by this act). Renegotiation was to be terminated on December 31, 1944, with the President being given the power to terminate renegotiation 6 months earlier or to extend its application for 6 months after this date; but the termination date was not to be later than the date of termination of hostilities. In addition to the major changes just listed, Title VII of the act made numerous minor changes in the renegotiation statute.

Title VIII, Repricing of War Contracts, provided that the Secretary of a department or other head of a Government procurement agency could reprice any contract or subcontract when excessive profits were being earned under it. An aggrieved contractor could sue for damages in the appropriate court. This title was to terminate upon cessation of hostilities. Further discussion of war contracts renegotiation appears on pages 21 and 125.

### H. *Postal rates.*—

Rates of postage on mail and special services were increased to the following levels: First-class mail for local delivery, 3 cents per ounce; air mail, 8 cents per ounce<sup>1</sup>; money orders, 10 to 37 cents per order; registered mail, 20 cents to \$1.35 per article; insured mail, 10 to 70 cents per article; collect-on-delivery service, 24 to 90 cents per article. On fourth-class mail the rates in each class were increased by 3 per cent of present rates or 1 cent, whichever was greater. The increases in the postal rates, fees and charges shall cease to be in effect on the first day of the first month which begins at least 6 months after termination of hostilities in the present war.

### III. *Development of simplification plans*

By providing a system of withholding and current quarterly payments, the Current Tax Payment Act of 1943 removed the 1-year lag in income tax payment and provided a system of easy budgeting of taxes for wage earners. However, the need for tax simplification remained and was in fact intensified. Action was therefore taken early in 1944 to simplify income tax compliance.

Some simplification had been achieved in 1941 when, on the recommendation of the Treasury, a short form embodying a tax table (Supplement T) was provided by the Congress for persons with small incomes. In the interest of further simplification the Treasury proposed, both in 1942 and 1943, that the earned-income credit be eliminated. This was done by the Revenue Act of 1943. In the fall of 1943 the Treasury also recommended the adoption of graduated withholding and the absorption of the Victory tax into the regular income tax. The 1943 act incorporated neither of these proposals, although it somewhat simplified the Victory tax.

The Secretary of the Treasury, in introducing suggestions for simplification in October 1943, stated that it was vitally important to take every possible step to remove the complications in the tax laws making necessary the filling out of long and difficult tax forms by the taxpayer. In his Budget Message of January 10, 1944, the President urged "Tax simplification to reduce the burdens of compliance of the many millions of taxpayers by elimination of returns where feasible and by other measures \* \* \*." The urgency was widely recognized in the Congress, and a number of bills embodying simplification plans were introduced for consideration.

During the latter part of 1943, the Treasury tax staffs, including the Bureau of Internal Revenue, the Division of Tax Research, and the Office of the Tax Legislative Counsel, had explored alternative

<sup>1</sup> Administrative order PM 16604 (Postal Bulletin, December 26, 1941) issued by the Postmaster General under the authority of 48 Stat. 943 (5 U. S. C. 372), established the rate of 6 cents for each half ounce or fraction thereof for air mail sent to or by the armed forces of the United States overseas served through Army and Navy post offices. This rate was continued by instructions of the Third Assistant Postmaster General, February 28, 1944.



methods of simplifying the individual income tax. During the early months of 1944, at the instance of the congressional committees on taxation, the tax staffs of the Joint Committee on Internal Revenue Taxation and of the Treasury Department continued this work as a joint effort. On March 10, 1944, the Secretary of the Treasury wrote to the Honorable Robert L. Doughton, Chairman of the Committee on Ways and Means of the House, and to the Honorable Walter F. George, Chairman of the Senate Finance Committee, assuring them of the complete cooperation of the Treasury Department in the simplification endeavor and urging speedy enactment of the proposed legislation. (See exhibit 52, p. 457.)

The plans developed by the congressional and Treasury tax staffs were discussed in a series of meetings with the Ways and Means Committee in February and March. No public hearings were held. On March 17 the Committee announced its tentative approval of a simplification plan. Agreement on this plan, modified only slightly by changes in the House Ways and Means and Senate Finance Committees, was so widespread that no dissenting vote was recorded in either house of Congress during its passage. The bill was signed by the President on May 29, 1944.

#### IV. *Major features of the Individual Income Tax Act of 1944*<sup>1</sup>

The 1944 act drastically revised filing procedures. It made the following major changes:

1. It broadened the scope of the simplified table (Supplement T) method of tax computation (*a*) by raising the upper limit of the table from \$3,000 to \$5,000, (*b*) by extending its use to all types of income, and (*c*) by raising the standard allowance for deductions incorporated in the table from 6 to 10 percent.

2. It revised the wage-bracket withholding tables to place them on substantially the same basis as the Supplement T final-liability table and thus to increase the exactness of withholding (*a*) by narrowing the wage brackets, (*b*) by incorporating the 10 percent standard deductions allowance, and (*c*) by graduating tax withholding to cover both the first and second brackets of surtax.

3. It provided that persons with gross incomes of less than \$5,000 derived entirely from wages, interest, and dividends and including not more than \$100 from sources not subject to withholding should be given the option of having the collectors of internal revenue compute their tax.

4. It provided an optional \$500 standard allowance for deductions for persons with gross incomes of \$5,000 or more.

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<sup>1</sup> The changes in rates, exemptions, and credits made by the 1944 act are shown in tabular form in exhibit 53, p. 458.

5. It repealed the Victory tax and substituted for it a new 3 percent normal tax on the net income of each person in excess of a flat exemption of \$500 (husband and wife filing a joint return being allowed an exemption of \$500, plus an additional \$500 or the amount of the smaller of their two incomes, whichever is less).

6. It combined the levies previously known as the normal tax and the surtax into a new surtax with rates ranging from 20 percent on the first \$2,000 of surtax net income to 91 percent on the portion of surtax net income over \$200,000 (the new rates in the higher brackets incorporating adjustments to absorb the previous differential burden of the Victory tax in those brackets).

7. It changed the personal exemption for surtax purposes to a uniform \$500 for the taxpayer, for his spouse, and for each of his dependents.

In effect, these changes, together with the regulations issued pursuant to the 1944 act, divided taxpayers into three groups:

Group	Filing procedure
Taxpayers with gross incomes of less than \$5,000 derived entirely from wages, interest, and dividends and including not more than \$100 from sources not subject to withholding, and whose actual deductions are less than 10 percent of gross income.	The estimated 30 million taxpayers in this group will file withholding receipts instead of the longer return and will have their tax liability determined by the collectors of internal revenue on the basis of the revised Supplement T table (which allows them a 10 percent standard allowance for deductions).
Taxpayers with gross incomes of less than \$5,000 who receive any income from sources other than wages, interest, and dividends or more than \$100 from sources not subject to withholding or who elect the 10 percent standard deduction.	The estimated 10 million taxpayers in this group will file the regular return (Form 1040) but will determine their liability from the expanded Supplement T table.
Taxpayers who (a) receive gross incomes of \$5,000 or more or (b) claim actual deductions instead of the 10 percent allowance, regardless of size of income.	The estimated 10 million taxpayers in this group will file the regular return and compute their tax directly. However, those with gross incomes of \$5,000 or more are given the option of taking a \$500 standard deduction in lieu of listing and claiming actual deductions.

The 1944 act made several other changes in the individual income tax. It simplified the definition of a dependent and the treatment of a dependent's income. A dependent was redefined as any closely related person for whom the taxpayer furnishes over half of the support, provided that such person does not receive an annual gross income of \$500 or more, and is a citizen of the United States or a resident of the United States or a contiguous country. The act further provided that the earnings of a minor are to be included in his own income and ex-

cluded from the gross income of the parent, thus establishing uniformity among the various States with reference to Federal income taxation of the compensation for services performed by a minor child.

The act simplified declaration procedure and reduced by an estimated 4 millions the number of persons required to file declarations of estimated tax. Under prior law, persons with less than \$100 of income from sources not subject to withholding were required to file declarations whenever their anticipated wages and salaries exceeded \$2,700 if single or \$3,500 if married. Under the 1944 act, the requirement was raised to \$5,000 plus an additional \$500 for the taxpayer's spouse and each of his dependents. The new requirement was made effective for 1945 and subsequent years.

The date for the filing of the final declaration and for payment of the final installment of estimated tax was changed, effective in 1944, from December 15 to January 15 of the following year, with the additional provision that, on or before January 15, taxpayers may file their final return in lieu of a declaration (or an amendment thereof) required on that date.

The act altered the definition of a farmer for purposes of the declaration requirements. Under prior law, a farmer was defined as a taxpayer who derives 80 percent or more of his gross income from farming. The act lowered the requirement to 66⅔ percent of the gross income, effective in 1944. The date for the filing of declarations by farmers was extended from December 15 to January 15, and, as in the case of other taxpayers, it was provided that a final return might be filed in lieu of a declaration.

Finally, the act changed the date for determination of marital status to the last day of the taxable year and simplified filing requirements to provide for the filing of a return by every person with a gross income of \$500 or more.

#### *V. Other revenue legislation*

Other laws affecting the revenue were as follows:

Public Law 172, October 26, 1943, amending sections 735 and 711 of the Internal Revenue Code to exempt from the excess-profits tax the bonus payments received for mineral products recovered from mine tailings.

Public Law 178, October 28, 1943, amending sections 435 and 453 of the Internal Revenue Code and to provide that the credits under the Victory tax shall be taken currently.

Public Law 180, November 4, 1943, amending section 3475 of the Internal Revenue Code to make minor revisions in the Government exemption from the tax on transportation of property.

Public Law 201, December 17, 1943, amending section 722 of the Internal Revenue Code to extend the time within which applications

for general relief under the excess-profits tax must be made; amending sections 292 and 3711 of the Internal Revenue Code to prevent payment of interest on deficiencies and overpayments resulting from or based upon relief under section 722 of the Internal Revenue Code; and amending section 162 of the Internal Revenue Code to extend the time for establishing a pension trust exempt under section 165 of the Internal Revenue Code to December 31, 1944.

Public Law 211, December 22, 1943, amending sections 1400 and 1410 of the Internal Revenue Code to freeze the taxes imposed on employers and employees under the Federal Insurance Contributions Act to 1 percent for the first two calendar months of 1944.

Public Law 225, February 3, 1944, providing for mustering-out payments to members of the armed forces and exempting such payments from taxation.

Public Law 229, February 14, 1944, exempting certain alien farm labor from tax withholding under section 143 (b) of the Internal Revenue Code.

Public Law 274, March 31, 1944, authorizing the Secretary of the Navy to accept gifts or bequests for the United States Naval Academy and providing that such gifts or bequests shall be deemed to be a gift or bequest to or for the use of the United States for the purpose of Federal income, estate, and gift taxes.

Public Law 333, June 20, 1944, amending section 21 of the Second Liberty Bond Act to increase the debt limit of the United States; and amending section 1650 of the Internal Revenue Code to reduce the cabaret tax from 30 to 20 percent.

Public Law 345, June 20, 1944, amending section 3508 of the Internal Revenue Code to extend through June 30, 1947, an additional 2 years, the provisions of the Sugar Act of 1937 and the taxes with respect to sugar.

Public Law 390, June 30, 1944, amending the act of September 16, 1942, to extend through June 30, 1946, an additional 2 years, the suspension in part of the processing tax on coconut oil; amending section 400 of the Internal Revenue Code to correct a clerical error in the Supplement T tax table.

#### CUSTOMS SERVICE IN THE WAR

In addition to its normal functions the Customs Service is charged with the physical control of exports, vessels, vehicles, and persons to insure that no articles are taken from the United States except under license or similar authorization; with the physical enforcement of the provisions of the Foreign Funds Control Act and the regulations promulgated thereunder as they relate to the exportation and importation of currency, negotiable instruments, securities, and other evidences of indebtedness; with the control of American citizens leaving the United

States to insure that they hold valid passports; and with the enforcement of the Trading with the Enemy Act in the censorship of tangible communications brought into or taken from the United States otherwise than in the regular course of the mails.

Active cooperation is given by the Customs Service to the Army and Navy intelligence services and to the Federal Bureau of Investigation. The Customs Service is also furnishing substantial assistance to the Coast Guard in the protection from sabotage of vessels, harbors, ports, and waterfront facilities.

Customs officers cooperate with the War Production Board and the Office of Price Administration in the enforcement of certain regulations of those organizations. In the case of the War Production Board the Customs Service assists in controlling the importation of restricted materials. It assists the Office of Price Administration in the rationing of ships' supplies and imports of sugar, processed foods, meats, fats, fish, cheeses, tires, shoes, and rubber.

A further discussion of the war activities of the Customs Service will be found on page 216.

### SPECIAL PROCUREMENT ACTIVITIES

#### *Lend-lease*

The Procurement Division's share in the lend-lease program continued to constitute its most important task in connection with the war in terms of volume of goods involved. An increased diversification of requirements and sources necessitated the making of a greater number of contracts under this program during the fiscal year 1944 than in either of the preceding years. A total of 26,788 contracts were entered into, which was an increase of 2,534 \* over 1943. Expenditures for the purchases included in these contracts during the year totaled \$1,086,587,324. Aggregate expenditures since receipt of the first requisition for lend-lease purchases on April 3, 1941, have been \$3,676,101,926 \*, representing 63,009 \* contracts.

The Procurement Division is continuing to administer space totaling 3 million square feet of open space and 3½ million square feet of closed space at seven lend-lease storage depots located in Army installations in addition to the extensive use of commercial storage facilities throughout the country. These depots and facilities are also being used for the storage and distribution of material for civilian use and consumption in the liberated areas.

#### *Surplus property disposal*

Changes in military requirements continued to result in availability of increasing quantities of matériel and other supplies for

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\* Includes revisions for earlier years.

redistribution. For the first time during this war the various military services were the principal sources of surplus property turned over to the Procurement Division for disposal. Surplus property disposals in 1944 amounted to \$88,260,017, which was almost 10 times that of the previous year. About 73 percent of this total, consisting of proceeds of \$64,383,426, was sold in private commercial channels and to lend-lease. The remainder constituted transfers to Government agencies. In 1943, on the other hand, the principal sources of property turned over to the Division were Government nonwar agencies. Most of the property in that year was of such a type that it could be disposed of by transfer to some Government agencies, and only about 5 percent (\$521,000) of total disposals of \$9,076,000<sup>\*</sup> were made to private commercial channels.

The increase in surplus property handled by the Procurement Division reflected a general increase in all surplus property growing out of the war program. Since an organization developed chiefly for the task of insuring proper utilization of Government property within Federal agencies was obviously inadequate in size and experience for the responsibility of disposing of huge quantities of goods to commercial firms, comprehensive plans were formulated and steps were taken looking to the building of an organization which could assume this responsibility. Impetus was given to this move by Executive Order No. 9425, dated February 19, 1944, which established the Surplus War Property Administration and named the Procurement Division as the disposal agency for surplus war property in the consumer-goods category, as well as certain other types of property in the disposal of which it had previous experience. The Division continued to handle all negotiations for sale of surplus materials to other lend-lease countries.

During the last few months of the fiscal year, the initial steps were taken in the direction of building an organization adequate to assume the increased responsibilities assigned to the Procurement Division. The Office of Surplus Property was established within the Division to take the place of the Federal Property Utilization Branch. In the Washington central office, the services of a number of business men were engaged for the purpose of determining policies to be followed in the disposal of surplus property. Much revamping and expanding of the surplus property organization in the regional offices were also carried on.

In order to insure adequate facilities for handling the disposal of consumer goods, attention was focused first on installing in each of the eleven regional offices of the Procurement Division a system of inventory accounting to provide the complete and detailed information prerequisite to efficient disposal of property. By the end of the

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<sup>\*</sup> Revised.

year the Office of Surplus Property was in position to account for and dispose of the increasingly larger quantities of property being turned over to it. It had laid a solid foundation on which to build the organization necessary to handle the still larger inventories which, it was anticipated, would become its responsibility in the future.

*National Youth Administration.*—All equipment, material, and supplies of the National Youth Administration were placed in the custody of the Procurement Division during the year, in accordance with an act approved July 12, 1943 (57 Stat. 539). The act permitted any non-Federal vocational education authority which was using any of it on June 30, 1943, to continue to do so during the war and for a period not to exceed 6 months thereafter. The act further provided that the Director of Procurement could lend any of the remaining property not required by a Federal agency to any non-Federal vocational education authority which applied for it prior to October 12, 1943, upon certification by the United States Commissioner of Education that the property was to be used for vocational education purposes.

Under regulations issued to carry out the provisions of the act, approximately 2,000 loans were made to non-Federal vocational education authorities. About 200 completed facilities consisting of residence centers, shops, and shop equipment were transferred to Federal agencies. Another act of Congress approved June 28, 1944 (58 Stat. 547), provided that any personal property belonging to the National Youth Administration and lent to any public school system or institution of higher learning within any State should become the property of such school system or institution. Plans were initiated accordingly to confirm title to this property.

### *Renegotiation of war contracts*

By authority of the law directing the renegotiation of contracts, the Procurement Division continued to renegotiate war contracts consummated by the Division, and cooperated with the War and Navy Departments and the United States Maritime Commission, and when the predominate interests were those of the Procurement Division renegotiated contracts for those agencies. (See also pages 21 and 117 of this report.)

### *Strategic and critical materials*

Acquisitions of strategic and critical materials during the year were represented by purchases in the amount of \$7,024,540, bringing to \$55,775,716 \* the total purchases from the inception of the program. These purchases were authorized by the act of June 7, 1939 (Public No. 117), and consist of those materials for which dependence must

\* Includes revisions for earlier years.

be placed on sources outside the United States, or of which the domestic supply is inadequate to meet war demands. The purchases of strategic and critical materials in 1944 were \$2,142,867 more than in 1943.

A discussion of the other activities of the Procurement Division will be found beginning on page 252.

### FOREIGN FUNDS CONTROL ACTIVITIES

The Treasury Department, through Foreign Funds Control, has been primarily responsible for planning and executing this Government's program of financial warfare against our enemies. In carrying out this program Foreign Funds Control has vigorously pursued the vital objectives of weakening the enemy's financial resources, preventing financial operations contrary to our war effort, and facilitating financial operations supporting the war effort of the United Nations.

During the fiscal year 1944 Foreign Funds Control continued activities previously begun and expanded others. The Control continued to freeze the \$8.5 billions in assets held within the United States by persons in enemy, enemy-occupied, and European neutral countries and to regulate the use to which such assets may be put; and to investigate and regulate international financial transactions. Maintenance of import controls over securities and currency was continued, thus closing United States markets to Axis loot. Cooperation was given through the State Department to the other American Republics to secure the adoption by them of effective controls over enemy property and transactions. The Control continued also to participate in the administration of the Proclaimed List of Certain Blocked Nationals by which persons in foreign countries who are assisting the enemy are designated enemy "nationals", and, pursuant to which, measures are taken to destroy their financial and economic power and ability to contribute to the enemy's war effort. Administration of this Government's controls over financial and commercial communications with enemy nationals was continued; and other appropriate measures were adopted which were designed to interfere with enemy operations in European neutral countries and to prevent the enemy from obtaining foreign exchange through the sale in neutral countries of gold, securities, currency, or other assets.

During the fiscal year 1944, the import controls were expanded to cover the importation and exportation of checks, drafts, etc. (General Ruling No. 5-A). In cooperation with the American Commission for the Protection and Salvage of Artistic and Historic Monuments in War Areas, steps were taken to make certain that the Axis would not be able to dispose of its looted art objects in the United States market (Treasury Decision No. 51072). Steps were taken to bring additional funds under control through requiring the disclosure of



beneficial owners before transactions in certain omnibus accounts were licensed (General Ruling No. 17). Following the establishment of civil administrations in Sicily and Italy arrangements were made to permit living expenses remittances to those areas completely liberated (General License No. 32-A and amendments).

During the year the Control and the Federal Reserve Banks, acting as field agents, acted upon nearly 98,000 applications, 14 percent of which were denied. In addition, hundreds of thousands of relatively "safe" transactions were permitted to be effected under various general and blanket licenses which have been issued to avoid placing any unnecessary burdens on legitimate business activities. One such General License, for instance, authorizes all transactions incident to trading with persons in the "Generally Licensed trade area" which consists of the American Republics; the British Commonwealth of Nations; the Union of Soviet Socialist Republics; the Faroe Islands; the Netherlands West Indies; the Belgian Congo and Ruanda-Urundi; Greenland; Iceland; Syria and Lebanon; New Hebrides; and French Equatorial Africa (General License No. 53). Also during the year there was taken a census of American-owned Property Abroad which has shown the existence of such property valued at more than \$14.4 billions.

In addition, in connection with the liberation of territory formerly under enemy domination, the Treasury Department discharges broad responsibilities with respect to the financial aspects of the overseas operations of our military and naval forces. The Department participates in the planning and preparation of fiscal, financial, banking, and property control measures which must be applied in the various theaters of war and also integrates this Government's financial and economic control measures with those established by the military authorities or by post-liberation governments. In this connection detailed research in this country is carried on with respect to the important financial interests in the countries involved.

## WAR CONTRIBUTIONS

### *Conditional gifts*

Under the Second War Powers Act, approved March 27, 1942, the Secretary of the Treasury, through June 30, 1944, accepted 1,320 donations of money, in the amount of \$4,673,601.87, for specific purposes in furtherance of the war program. Of this amount, \$4,641,-480.05 was covered into the Treasury by warrants as of June 30, 1944. The balance, \$32,121.82, represents checks which must be cleared through banking channels before the funds are available for covering into the Treasury. The donations in most instances were made by groups of individuals. A summarization follows.

*Donations of money accepted under the Second War Powers Act, 1942, and covered into the Treasury by warrants*

Purpose for which contributed	Mar. 27, 1942, through June 30, 1943	July 1, 1943, through June 30, 1944	Total
Aircraft.....	\$2, 445, 371. 80	\$330, 841. 34	\$2, 776, 213. 14
Vessels.....	92, 390. 09	7, 399. 86	99, 789. 95
Guns and ammunition.....	75, 808. 35	52, 554. 57	128, 362. 92
Welfare and recreation.....	57, 660. 95	192, 493. 36	250, 154. 31
Buildings and appurtenances.....	69, 475. 35	72, 219. 44	141, 694. 79
Medical supplies.....	4, 720. 00	29, 366. 06	34, 086. 06
Vehicles.....	479, 123. 42	567, 314. 41	1, 046, 437. 83
Miscellaneous equipment.....	1, 733. 25	30, 585. 38	32, 318. 63
Foreign relief and rehabilitation.....	31, 747. 42	20, 375. 00	52, 122. 42
War financing.....	80, 000. 00	300. 00	80, 300. 00
Total.....	3, 338, 030. 63	1, 303, 449. 42	4, 641, 480. 05

In addition, donations of property accepted during the fiscal year 1944 for use in connection with the various war activities included automobiles, boats, small firearms, medical equipment and supplies, training equipment and films, radio equipment, patent rights, industrial machinery, raw silk and fabricated textile products, recreation facilities and equipment, musical instruments, phonograph records, cigarettes, and various other items. The property accepted had a total estimated valuation of \$333,554.70, and in practically all instances was received directly by the war agency concerned.

*Unconditional donations*

From December 7, 1941, the day on which Pearl Harbor was attacked, through June 30, 1944, unconditional donations numbering 17,054 and amounting to \$1,079,015.99 were received and covered into the Treasury by warrants. The 17,054 donations do not represent the total number of donors inasmuch as the donations of approximately 25,500 individuals were grouped and treated as single donations; for example, 7,000 employees of an aeronautical corporation sent in individual checks which were recorded as one donation. Also numerous donations of war savings stamps from individuals in groups have been received and recorded as single contributions. These gifts of stamps were received from groups ranging from ten to more than a thousand individuals in number, and from \$5 to \$600 in amount. Group donations of stamps and money came from students of elementary and high schools, members of labor and fraternal organizations, employees of private concerns, Army and Navy personnel, war plants, etc.

In addition, from December 7, 1941, through June 30, 1944, a total of \$464,140.44 was realized and covered from the sale of scrap aluminum donated to the United States for war purposes.

### SALARY STABILIZATION

Provision for stabilization of salaries was included by Congress in the general wartime program to stabilize the cost of living. The Treasury Department through the Salary Stabilization Unit of the Bureau of Internal Revenue continued during the fiscal year 1944 to stabilize salaries through action taken upon requests received from employers for adjustments in compensation of their employees. Requests for salary and bonus adjustments on hand July 1, 1943, numbered 19,383; during the year 251,608 requests were received and 257,491 rulings were issued, leaving 13,500 requests on hand June 30, 1944. Certain details of these cases and other types handled are covered in the administrative report of the Salary Stabilization Unit beginning on page 241.

During the year the regulations were clarified and amended. The authorizing legislation, together with major Executive orders and regulations subsequently published are summarized in the paragraphs which follow.

Congress by act of October 2, 1942, amending the Emergency Price Control Act of 1942, authorized and directed the President to issue a general order stabilizing prices, wages, salaries, and other factors affecting the cost of living and to provide for making such adjustments therein as he found necessary to aid in the effective prosecution of the war or to correct gross inequities.

Pursuant to this authority, the President on October 3, 1942, issued Executive Order No. 9250 outlining the policies to be followed in the administration of the act, and delegating to various agencies his authority thereunder. By that order he created the Office of Economic Stabilization and appointed a Director thereof. The Director, by regulations dated October 27, 1942, approved by the President, delegated the National War Labor Board and the Commissioner of Internal Revenue as his agents to administer the wage and salary policies. By an amendment to his regulations, approved by the President on November 30, 1942, the Director also delegated the Secretary of Agriculture as one of his agents. Regulations, Treasury Decision 5186, outlining the policies and procedure to be followed with respect to employees under the jurisdiction of the Commissioner were promulgated on December 2, 1942.

On April 8, 1943, the President issued Executive Order No. 9328 which provided for certain changes in policies and procedure. As a result of this Executive order, the Director, on May 12, 1943, issued a clarifying statement, and on August 28, 1943, completely revised the amended regulations, formulating the program more specifically and outlining the policies and procedures to be followed with respect to salary and wage adjustments. The primary prerequisites to approval of salary and wage adjustments are that the increases shall

not raise salary levels which existed on September 15, 1942, and shall not increase the level of production costs appreciably, or furnish the basis either to increase prices or to resist otherwise justifiable reductions in such prices.

Authority over wage adjustments by the National War Labor Board, as expressed in Executive Order No. 9250, was reaffirmed by these regulations. Jurisdiction over salary adjustments is divided between the Board, the Commissioner of Internal Revenue, and the War Food Administrator, jurisdiction under the latter having been transferred from the Secretary of Agriculture. The Commissioner of Internal Revenue was given authority over all adjustments to salaries in excess of \$5,000 per annum, and adjustments to salaries of executive, administrative, and professional employees under \$5,000 per annum who are not represented in their relations with their employer by duly recognized or certified labor organizations, and who do not come within the classification of "agricultural labor." Wages and salaries of employees engaged in "agricultural labor" were placed under the jurisdiction of the War Food Administrator.

Subsequently, the Commissioner promulgated amended regulations, Treasury Decision 5295, which were approved on September 4, 1943. Under the regulations as amended certain salary increases may be granted without approval of the Commissioner of Internal Revenue, provided they are made in accordance with a salary agreement or salary rate schedule in effect prior to October 3, 1942, or approved by the Commissioner thereafter, and as a result of (a) individual promotions or reclassifications, (b) merit increases within established salary rate ranges, (c) operation of an established plan of salary increases based on length of service, (d) increased productivity under incentive plans, (e) operation of a trainee system, and (f) such other reasons as may be prescribed in rulings or regulations promulgated by the Commissioner from time to time. Decreases in salary rates below \$5,000 cannot be made without prior approval of the Commissioner unless the employee is demoted to a position carrying a lower rate of pay. Adjustments which may be made with approval of the Commissioner are those necessary (a) to correct substandards of living, (b) to compensate in accordance with the Little Steel Formula, (c) to adjust salaries up to the minimum of the tested and going rates paid for the same work in the most nearly comparable plants or establishments in the same labor market, and (d) to permit individual promotions to higher positions, reclassification of jobs, to recognize increased duties and responsibilities, individual merit increases, length of service increases, incentive payments and the like, provided the adjustments do not increase the level of production costs appreciably or furnish the basis for increased prices or resistance to justifiable reductions in prices. Adjustments may be made also to maintain proper differen-

tials in pay rates of employees in immediately interrelated job classifications and, in rare and unusual cases, where the critical needs of war production so require.

An act of Congress, approved June 30, 1944 (Public Law 383), extending the act of October 2, 1942, stipulated that its provisions should terminate on June 30, 1945, and contained one amendment affecting salary stabilization. Section 4 as amended now provides that the findings and certification of any agency provided for by the act shall be final with respect to changes affecting wages or salaries in any dispute case between employees and carriers subject to the Railway Labor Act, as amended.

### ESTIMATES OF RECEIPTS

The Secretary of the Treasury is required each year to prepare and submit in his annual report to Congress estimates of the public revenue for the current fiscal year and for the fiscal year next ensuing (Public No. 129, February 26, 1907). These estimates are now made in December of each year on the basis of legislation existing at the time of making the estimates. The estimates here presented are consistent with the program of Government expenditures outlined in the Budget of the United States Government for the fiscal year ending June 30, 1946.

The details of estimated and actual receipts are shown in table 111 beginning on page 837. Throughout the tables shown in this exposition the figures are rounded and will not necessarily add to totals.

#### *Total and net receipts*

Total receipts, general and special accounts, are estimated (on the daily Treasury statement basis) in the amounts of \$47,022.8 millions in the fiscal year 1945 and \$42,854.8 millions in the fiscal year 1946. The estimated total receipts in the fiscal year 1945 exceed by \$1,614.3 millions the actual total receipts of \$45,408.4 millions in the fiscal year 1944, while estimated total receipts of \$42,854.8 millions in the fiscal year 1946 represent a decrease of \$4,168.0 millions from the estimated total receipts in the fiscal year 1945.

Net receipts, general and special accounts, are estimated (on the daily Treasury statement basis) in the amounts of \$45,729.7 millions in the fiscal year 1945 and \$41,254.9 millions in the fiscal year 1946. The estimated net receipts in the fiscal year 1945 exceed by \$1,580.8 millions the actual net receipts of \$44,148.9 millions in the fiscal year 1944, while estimated net receipts of \$41,254.9 millions in the fiscal year 1946 represent a decrease of \$4,474.8 millions from the estimated net receipts in the fiscal year 1945.

The percentage distribution, by sources, of estimated total receipts in the fiscal years 1945 and 1946, as compared with actual receipts in the fiscal years 1943 and 1944, is shown in the following table.

*Percentage distribution of total receipts*

General and special accounts receipts	Actual, 1943	Actual, 1944	Estimated, 1945	Estimated, 1946
Individual income tax	27.8	43.6	39.1	35.3
Corporation income and excess profits taxes	41.0	32.8	35.5	37.1
Miscellaneous internal revenue	19.5	11.6	13.9	15.2
Employment taxes <sup>1</sup>	6.4	3.9	3.8	4.8
Customs	1.4	.9	.7	.8
Miscellaneous receipts	3.9	7.2	7.0	6.8
Total receipts	100.0	100.0	100.0	100.0

<sup>1</sup> Includes railroad unemployment insurance contributions.

Several shifts in the relative importance of the major tax sources in the period from the fiscal year 1943 through the fiscal year 1946 are shown in the above table: (1) The individual income tax shifts to the position of greatest importance in the fiscal year 1944 because of the nonrecurring increases arising from the transition to a current payment basis; (2) by the fiscal year 1946, however, corporation income and excess profits taxes represent the largest percentage since the lower level of incomes reflected in individual income tax receipts does not affect the corporate tax receipts until a year later; (3) the relative stability of excise tax receipts, included under miscellaneous internal revenue, and employment tax receipts causes them, in spite of steady absolute increases over the period, to appear percentage-wise of less importance in the two years of larger aggregate tax receipts, namely, the fiscal years 1944 and 1945; (4) miscellaneous receipts are of greater significance, both absolutely and relatively, in the fiscal year 1944 than in other years of the period because of the recoveries of excessive profits on renegotiated war contracts, included in this item, which are expected to be at their peak in this fiscal year; (5) customs receipts continue to decline in relative importance.

### *Fiscal year 1945*

The estimated receipts in the fiscal year 1945 and actual receipts in the fiscal year 1944 are compared by major sources in the following table.

*Total and net receipts by sources*

In millions of dollars

General and special accounts receipts	Actual, 1944	Estimated, 1945	Increase or decrease (—), 1945 over 1944
Individual income tax.....	19,779.2	18,385.6	-1,393.6
Corporation income and excess profits taxes.....	14,875.7	16,670.2	1,794.5
Miscellaneous internal revenue.....	5,291.0	6,551.0	1,260.0
Employment taxes <sup>1</sup> .....	1,751.2	1,806.8	55.6
Customs.....	431.3	326.1	-105.2
Miscellaneous receipts.....	3,280.1	3,283.1	3.0
Total receipts.....	45,408.4	47,022.8	1,614.3
Deduct: Net appropriation for Federal old-age and survivors insurance trust fund.....	1,259.5	1,293.1	33.5
Net receipts.....	44,148.9	45,729.7	1,580.8

Includes railroad unemployment insurance contributions.

While the fiscal year 1945 receipts are estimated to be larger than the actual receipts in the fiscal year 1944, there is a divergence of trend by tax sources. The major items of increase include the excise taxes, where rate increases and the elimination of Government exemptions increase receipts, and corporation taxes, which are still collected a year later than the incurrence of the liability. The increase in tax receipts from larger corporation incomes more than offsets the decrease in the amounts estimated to be received as recoveries from renegotiation of war contracts, which decline as experience with war purchases makes for more efficient procurement. A partially offsetting decrease occurred in the case of the individual income tax where the fiscal year 1944 receipts were more affected than those of the fiscal year 1945 by the abnormal bunching of receipts due to the transition to a pay-as-you-go basis.

*Individual income tax.*—The yield of the individual income tax in the fiscal years 1944 and 1945 is shown in the following table.

General and special accounts receipts	Actual, 1944	Estimated, 1945	Increase or decrease (—), 1945 over 1944
In millions of dollars			
Withheld.....	9,177.8	9,970.1	792.3
Not withheld.....	10,417.6	8,284.3	-2,133.3
Back taxes.....	183.7	131.2	-52.5
Total individual income tax.....	19,779.2	18,385.6	-1,393.6

Individual income tax receipts of \$18,385.6 millions are again the most important tax source although smaller in absolute amount by \$1,393.6 millions than those of the preceding year. The abnormal bunching of receipts in the fiscal year 1944 in connection with going on a pay-as-you-go basis arose chiefly from the following circumstances:

(1) The portion of the nonrecurring offset to the remitted 1942 liabilities (i. e., payment on "unforgiven tax"), estimated at \$900 millions in the fiscal year 1945, is \$400 millions less than the amount estimated to have been received in the fiscal year 1944.

(2) The payments in the first half of the calendar year 1943 in settlement of part of the calendar year 1942 liabilities, together with amounts withheld on 1943 salaries and wages at Victory tax withholding rates, were much smaller than would have been received if the current law had been in effect during that time interval. These low payments in partial liquidation of 1943 liabilities were received in the fiscal year 1943. Fiscal year 1944 collections were therefore large in a nonrecurring way because they included the balance of the calendar year 1943 liability payments which were abnormally large.

*Corporation income and excess profits taxes.*—An increase of \$1,794.5 millions is shown from this source, the details of which are given in the following table.

General and special accounts receipts	Actual, 1944	Estimated, 1945	Increase or decrease (—), 1945 over 1944
	In millions of dollars		
Income tax and excess profits tax.....	13,242.1	15,192.3	1,950.2
Declared value excess profits tax.....	109.9	123.5	13.6
Back taxes.....	1,414.8	1,354.4	—60.4
Adjustment to daily Treasury statement basis.....	+108.9	.....	—108.9
Total corporation income and excess profits taxes.....	14,875.7	16,670.2	1,794.5

Receipts in the fiscal year 1945 from corporation taxes are estimated to provide the wartime peak from this tax source. Following the conversion of plant from peacetime to war uses in the calendar year 1942, and as a consequence of growing wartime Government expenditures, corporate profits continued to expand rapidly during the calendar year 1943 and are estimated to have nearly maintained the peak level in the calendar year 1944. Government expenditures increased markets for products and lowered unit costs as production facilities were used to a larger extent of capacity and as more experience was gained both by corporations and by labor in the production of new and unfamiliar lines.

*Miscellaneous internal revenue.*—The yields of the major groups under miscellaneous internal revenue are compared in the following table.



General and special accounts receipts	Actual, 1944	Estimated, 1945	Increase or decrease (-), 1945 over 1944
In millions of dollars			
Capital stock tax.....	380.7	372.5	-8.2
Estate and gift taxes.....	511.2	514.5	3.3
Liquor taxes.....	1,618.0	2,063.5	445.5
Tobacco taxes.....	988.4	921.2	-67.2
Stamp taxes.....	50.8	62.8	12.0
Manufacturers' excise taxes.....	502.7	800.2	297.5
Retailers' excise taxes.....	225.2	420.0	194.8
Miscellaneous taxes.....	1,076.2	1,396.3	320.1
Adjustment to daily Treasury statement basis.....	-62.3		62.3
Total miscellaneous internal revenue.....	5,291.0	6,551.0	1,260.0

With the exception of the receipts from the tobacco taxes which are adversely affected by the increased amount of tax-free withdrawals of cigarettes going to the armed forces, the receipts from every major grouping of excise taxes show an increase in the fiscal year 1945 over those of the preceding year.

The receipts from liquor taxes are at a new peak in the fiscal year 1945. Supplies of distilled spirits are more ample as a result of the resumption of the distilling of beverage alcohol during the so-called "liquor holidays." Increased wartime tax rates on liquors also contribute to the record receipts.

Following the passage of the Revenue Act of 1943, and as old contracts for delivery expire, the Federal Government is paying a tax on its purchase of taxable items. This amount which the Federal Government pays to itself, and which therefore does not improve its fiscal position, is estimated at \$243.2 millions in the fiscal year 1945. The effect of the repeal of these Federal exemptions is shown almost entirely in the receipts from the manufacturers' excise tax group and reflects principally the purchases of war materials.

In general, increases in the receipts from other excise taxes are due to higher tax rates together with a rising volume of spending by individuals.

*Employment taxes.*—Receipts from the employment taxes are distributed as follows:

General and special accounts receipts	Actual, 1944	Estimated, 1945	Increase, 1945 over 1944
In millions of dollars			
Federal Insurance Contributions Act.....	1,292.1	1,322.6	30.5
Federal Unemployment Tax Act.....	179.9	190.7	10.8
Taxes on carriers and their employees.....	267.1	280.5	13.4
Railroad unemployment insurance contributions <sup>1</sup> .....	12.1	13.0	.9
Total employment taxes.....	1,751.2	1,806.8	55.6
Deduct: Net appropriation for Federal old-age and survivors insurance trust fund.....	1,259.5	1,293.1	33.5
Net employment taxes.....	491.7	513.7	22.0

<sup>1</sup> Not classified as an employment tax under the Internal Revenue Code.

The tax rates and the statutory coverage of the employment taxes are the same in the two fiscal years so that larger amounts of covered salaries and wages cause the increased tax yields. The receipts from the Federal Insurance Contributions Act are appropriated to the Federal old-age and survivors insurance trust fund except for administrative expenses.

*Customs.*—Customs receipts decrease to \$326.1 millions in the fiscal year 1945 from receipts of \$431.3 millions in the fiscal year 1944. The dominating causes of changes in customs receipts are exigencies of shipping space, increased duty-free imports of strategic materials (particularly sugar) under Executive Order No. 9177, dated May 30, 1942, and the improving domestic supply situation in connection with liquors, wool, and metals.

*Miscellaneous receipts.*—Miscellaneous receipts in the fiscal year 1945 amount to \$3,283.1 millions, an increase of \$3.0 millions over comparable receipts in the preceding year. This small increase occurs despite smaller recoveries from the renegotiation of war contracts as the Government acquires more experience in procurement pricing.

### *Fiscal year 1946*

The estimates of receipts in the fiscal years 1945 and 1946 are compared by major tax sources in the following table.

#### *Total and net receipts by sources*

[In millions of dollars]

General and special accounts receipts	Estimated, 1945	Estimated, 1946	Increase or decrease (—), 1946 over 1945
Individual income tax.....	18,385.6	15,109.0	—3,276.6
Corporation income and excess profits taxes.....	16,670.2	15,913.2	—757.0
Miscellaneous internal revenue.....	6,551.0	6,519.9	—31.1
Employment taxes <sup>1</sup> .....	1,806.8	2,066.9	260.1
Customs.....	326.1	326.3	.2
Miscellaneous receipts.....	3,283.1	2,919.4	—363.7
Total receipts.....	47,022.8	42,854.8	—4,168.0
Deduct: Net appropriation for Federal old-age and survivors insurance trust fund.....	1,293.1	1,599.9	306.8
Net receipts.....	45,729.7	41,254.9	—4,474.8

<sup>1</sup> Includes railroad unemployment insurance contributions.

Receipts are expected to be smaller in the fiscal year 1946 than in the fiscal year 1945. Major sources of revenue contributing to the decrease are (1) the individual income tax receipts which are smaller because of estimated lower incomes and because of the nonrecurring payments in the fiscal year 1945, (2) the corporation tax receipts which are less because of lower corporate incomes, and (3) miscellaneous receipts which are lower because of the decreasing recoveries from renegotiation of war contracts.

Partly offsetting these declines are increases in receipts from employment taxes as a result of higher tax rates for certain of these taxes affecting receipts in three months of the fiscal year.

*Individual income tax.*—The yield of the individual income tax in the fiscal years 1945 and 1946 is shown in the following table.

General and special accounts receipts	Estimated, 1945	Estimated, 1946	Increase or decrease (—), 1946 over 1945
In millions of dollars			
Withheld.....	9,970.1	8,243.0	—1,727.1
Not withheld.....	8,284.3	6,734.0	—1,550.3
Back taxes.....	131.2	132.0	.8
Total individual income tax.....	18,385.6	15,109.0	—3,276.6

Individual income tax receipts decrease to \$15,109.0 millions in the fiscal year 1946. The last of the nonrecurring offsets to the remitted 1942 liabilities (i. e., payment on “unforgiven tax”) will be paid in the fiscal year 1945 in an amount estimated at \$900 millions. No corresponding amount is collectible in the fiscal year 1946. This fact, together with a reduction in the level of incomes on which receipts are based, accounts for the lower yield in the fiscal year 1946.

*Corporation income and excess profits taxes.*—The details of the yield of taxes on corporation incomes are shown below.

General and special accounts receipts	Estimated, 1945	Estimated, 1946	Increase or decrease (—), 1946 over 1945
In millions of dollars			
Income tax and excess profits tax.....	15,192.3	14,312.9	—879.4
Declared value excess profits tax.....	123.5	112.6	—10.9
Back taxes.....	1,354.4	1,487.7	133.3
Total corporation income and excess profits taxes.....	16,670.2	15,913.2	—757.0

Receipts in the fiscal year 1946 from the corporation taxes on income are estimated at \$15,913.2 millions, somewhat below the \$16,670.2 millions expected in the fiscal year 1945. The high level of corporate income attained in 1943 is not expected to increase even with the continued high level of Government war expenditures. Costs catch up and cut into corporate profits as military services create manpower shortages (leading to the employment of less efficient labor, frequently at higher hourly rates and with much overtime), as machines under wartime exigencies are not adequately maintained or replaced, and as ceilings prevent selling prices from rising correspondingly. Hence the fiscal year 1946 estimated corporation tax receipts reflecting 1944 and 1945 corporate incomes are slightly less than the receipts arising

from the peak 1943 and 1944 corporate profits, but nevertheless they are larger than the fiscal year 1944 receipts arising from 1942 and 1943 income experience.

*Miscellaneous internal revenue.*—The estimates of yields from the more important groups included under miscellaneous internal revenue are shown in the following table.

General and special accounts receipts	Estimated, 1945	Estimated, 1946	Increase or decrease (—), 1946 over 1945
In millions of dollars			
Capital stock tax.....	372.5	350.0	—22.5
Estate and gift taxes.....	514.5	522.7	8.2
Liquor taxes.....	2,063.5	2,023.8	—39.7
Tobacco taxes.....	921.2	886.1	—35.2
Stamp taxes.....	62.8	59.2	—3.6
Manufacturers' excise taxes.....	800.2	997.4	197.2
Retailers' excise taxes.....	420.0	392.2	—27.8
Miscellaneous taxes.....	1,396.3	1,288.6	—107.7
Total miscellaneous internal revenue.....	6,551.0	6,519.9	—31.1

In general, a decline in the volume of Government expenditures is expected to result in some reduction in individual incomes, which will be reflected in reduced buying of various taxable items. This will be offset in part, however, by some increase in the production and sale of other taxable civilian goods, the supplies of which have been restricted by war requirements.

Estimated revenues in the fiscal year 1946 include an increased amount of tax payments by the Government on taxable items purchased largely for war uses, owing to a greater tax coverage of Government purchases during this first full year under the new provision of the tax laws. Collections from this source, which represent no improvement in the Federal fiscal position, are estimated at \$301.0 millions in the fiscal year 1946, as compared with \$243.2 millions in the previous fiscal year. Including this item of increase, there is a fairly large increase in revenues from the manufacturers' excise tax group, which increase is more than offset by decreases in other sources of excise taxes, so that the excise tax receipts as a whole show a decrease.

*Employment taxes.*—The relative magnitudes and changes in yield from employment taxes are as follows:

General and special accounts receipts	Estimated, 1945	Estimated, 1946	Increase or decrease (—), 1946 over 1945
	In millions of dollars		
Federal Insurance Contributions Act.....	1,322.6	1,629.7	307.1
Federal Unemployment Tax Act.....	190.7	182.8	—7.9
Taxes on carriers and their employees.....	280.5	243.4	—37.1
Railroad unemployment insurance contributions <sup>1</sup> .....	13.0	11.0	—2.0
Total employment taxes.....	1,806.8	2,066.9	260.1
Deduct: Net appropriation for Federal old-age and survivors insurance trust fund.....	1,293.1	1,599.9	306.8
Net employment taxes.....	513.7	467.0	—46.7

<sup>1</sup> Not classified as an employment tax under the Internal Revenue Code.

The estimates of receipts under the Federal Insurance Contributions Act assume existing law, that is, that the freeze in tax rates will not be continued in the calendar year 1946 but that the rates will advance to 2½ percent on employer and 2½ percent on employee. If this increase were not effective the fiscal year 1946 receipts would be reduced by \$434.0 millions.

*Customs.*—While numerous items of customs receipts are expected to vary between the fiscal years 1945 and 1946, total receipts from this source in each of these years are estimated at approximately \$326 millions.

*Miscellaneous receipts.*—Miscellaneous receipts in the fiscal year 1946 are expected to be \$2,919.4 millions, a decrease of \$363.7 millions from the previous year. Smaller recoveries from the renegotiation of war contracts account for the decrease since other items included in miscellaneous receipts increase in the aggregate.

## ESTIMATES OF EXPENDITURES

Actual expenditures for the fiscal year 1944 and estimates for the fiscal years 1945 and 1946 are summarized in the following table. Further details will be found in table 111, beginning on page 849. The estimates are based upon figures submitted to the Congress in the Budget for 1946.

*Actual expenditures for the fiscal year 1944 and estimated expenditures for the fiscal years 1945 and 1946*

[In millions of dollars. On basis of 1946 Budget document]

Federal expenditures <sup>1</sup> (excluding trust account and debt transactions)	Actual, 1944	Estimated, 1945	Estimated, 1946
War activities:			
General and special accounts .....	87,038.7	88,000.0	69,400.0
Government corporations (net) .....	2,681.6	1,000.0	600.0
Total, including corporations .....	89,720.3	89,000.0	70,000.0
Other activities:			
General and special accounts:			
Interest on the public debt .....	2,609.0	3,750.0	4,500.0
Refunds .....	266.7	2,172.0	2,724.8
Veterans' pensions and benefits <sup>2</sup> .....	729.9	1,290.5	2,704.7
Other .....	3,099.3	3,699.9	3,201.0
Subtotal .....	6,704.8	10,912.3	13,130.4
Government corporations and credit agencies (net) .....	* 1,152.1	* 224.2	* 27.0
Total, including corporations and credit agencies .....	5,552.7	10,688.2	13,103.4
Grand total, including corporations and credit agencies .....	95,273.0	99,688.2	83,103.4

NOTE.—Figures are rounded and will not necessarily add to totals.

\* Excess of receipts over expenditures (deduct).

<sup>1</sup> Amounts shown for Government corporations and credit agencies represent net expenditures from checking accounts maintained with the Treasurer of the United States.

<sup>2</sup> Includes amounts classified under general public works program in the Budget.

Attention is invited to the attached reports of bureaus and divisions of the Treasury Department and to the exhibits and tables accompanying the report on the finances.

HENRY MORGENTHAU, JR.,  
*Secretary of the Treasury.*

TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

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## ADMINISTRATIVE REPORTS

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## FISCAL SERVICE OF THE TREASURY DEPARTMENT

The Fiscal Service of the Treasury Department, at the head of which is the Fiscal Assistant Secretary, comprises the Bureau of Accounts, the Bureau of the Public Debt, and the Office of the Treasurer of the United States. Under an order of the Secretary of the Treasury, the Under Secretary, in the event of a vacancy in the office of the Fiscal Assistant Secretary, acts as Fiscal Assistant Secretary and performs all duties and functions assigned to that office. A discussion of the activities of the Fiscal Service follows.

### BUREAU OF ACCOUNTS

The supervision of the administration of the accounting functions and activities in the Treasury Department and all its bureaus, divisions, and offices is exercised under the direction of the Secretary of the Treasury by the Fiscal Assistant Secretary through the Commissioner of Accounts. The function of authorizing the installation, maintenance, revision, and elimination of accounting records, reports, and procedures in the Treasury Department is exercised by the Fiscal Assistant Secretary through the Commissioner of Accounts.

The Commissioner of Accounts, at the head of the Bureau of Accounts, has supervision over the activities and functions of the Division of Bookkeeping and Warrants, Division of Disbursement, Division of Deposits, Section of Surety Bonds, Treasury Budgetary Section, and Section of Investments.

The duties and functions of the units under the Bureau of Accounts are discussed in the following pages.

The Commissioner, in collaboration with the Bureau of the Budget and General Accounting Office, also supervises work in the Treasury Department in connection with the development of standards, terminology, classifications, a system of financial reporting, and summary accounts required by Executive Order No. 8512.

#### *Office of Commissioner of Accounts*

*Budgetary administration and financial reporting.*—Under Executive Order No. 8512, dated August 13, 1940, prescribing regulations for the purpose of improving budgetary administration and financial reporting, the Secretary of the Treasury, with the approval of the Director of the Bureau of the Budget, was directed to establish (a) uniform accounting terminology, (b) uniform classifications of assets and liabilities, and revenues and expenditures, and (c) uniform standards for the valuation of assets and the determination of liabilities and the treatment of revenues and expenditures in relation thereto; and to maintain a complete system of summary accounts through which the financial data of the various agencies will be coordinated and integrated.

On March 3, 1942, the order was amended by Executive Order No. 9084, which provides that prior to establishing uniform terminology, classifications, principles and standards, they be referred to the Comptroller General of the United States for consideration and determination as to whether they are in conflict with the forms, systems, and procedures prescribed by the Comptroller General as required by section 309 of the Budget and Accounting Act.

The President, in a letter dated April 7, 1944, requested the Administrator of the Foreign Economic Administration to establish a clearing house which would obtain information on foreign transactions—including transactions on account of international aid, relief in liberated areas, procurement abroad, loans and financial aid, inventories, information concerning military and nonmilitary installations, improvements, and stock piles abroad, and all other governmental outlays and disbursements abroad as well as receipts from abroad. The President's letter further directed that the facilities established by Executive Order No. 8512, as amended, should be utilized whenever appropriate in collecting information on cash disbursements, receipts, and other related financial transactions abroad.

Pursuant to the above request, the Bureau of Accounts collaborated with the Foreign Economic Administration in the development of a Budget-Treasury regulation relating to reports of cash transactions abroad.

*Activities under Reorganization Plan No. III.*—Several additional surveys have been made during the fiscal year, including a study to revise the procedure for depositing into the Treasury funds collected by other departments and agencies and a study of recording and reporting lend-lease purchases and classification of purchases in the Procurement Division, Treasury Department.

In lieu of depositing funds with the Chief Disbursing Officer by Government agencies in Washington, D. C., the revised procedure provides for the deposit of collections directly with the Office of the Treasurer of the United States and for the transmission of copies of documents to the Chief Disbursing Officer. This arrangement will meet the accounting requirements of the General Accounting Office. A test of several departments and agencies shows that the extension of the revised procedure will save manpower and reduce the number of certificates of deposit to be handled.

The lend-lease procedure was modified so that each requisition with all its supporting contracts, invoices, and transfers constitutes a separate account. This reduced considerably the amount of tabulating work necessary to the preparation of the lend-lease reports and reduced the time necessary to prepare such reports by approximately 65 percent.

Other studies were also made such as (a) the establishment of a uniform individual earnings record so that at present the entire Treasury Department maintains the employee's earnings account on the same basis, and (b) the collaboration with the General Accounting Office in formulating plans to establish a branch office of the General Accounting Office in New York for the purpose of effecting a current audit of the accounts of the disbursing officer of the War Department issuing Army dependency benefit checks.

*Daily Statement of the United States Treasury.*—Beginning with the month of July 1943, receipts from income taxes withheld under the

Current Tax Payment Act of 1943, approved June 9, 1943, were classified separately in the daily Treasury statement. During the fiscal year 1944 there were several changes in classifications and presentation of the daily Treasury statement. Executive Order No. 9280 as amended by Executive Orders Nos. 9322, 9334, and 9392 provided for the reorganization and consolidation of certain bureaus within the Department of Agriculture and accordingly there were changes and a rearrangement in the classification of expenditures of that Department. Other changes in classifications were made as a result of transfer of functions under Executive Orders Nos. 9385, 9406, and 9423, which transferred functions to the Foreign Economic Administration, the War Production Board, and the Department of the Interior, respectively.

*Annual appraisal of assets and liabilities of the Commodity Credit Corporation.*—Under the act approved March 8, 1938 (52 Stat. 107), as amended by the act approved July 1, 1941 (55 Stat. 498), the Secretary of the Treasury is required to make an appraisal as of March 31 of each year of the assets and liabilities of the Commodity Credit Corporation for the purpose of determining the net worth of the Corporation. In the event that any such appraisal shall establish that the net worth of the Corporation is less than \$100,000,000, the Secretary of the Treasury is required to restore the amount of the capital impairment, funds for which are appropriated by the Congress. In the event any appraisal shall establish that the net worth of the Corporation is in excess of \$100,000,000, such excess must be deposited by the Corporation in the Treasury as miscellaneous receipts. In the act approved February 28, 1944 (58 Stat. 105), the Comptroller General is required to make an annual audit of the financial transactions of the Corporation beginning with the fiscal year 1945, and to furnish a copy of each such audit report to the Secretary of the Treasury for his consideration in appraising the assets and liabilities for determining the net worth of the Corporation under the act of March 8, 1938, as amended. The following statement shows the results of appraisals.

Appropriations for restoration of capital impairment:		<i>Amount</i>
Act of June 25, 1938 (appraisal as of Mar. 31, 1938, H. Doc. 670, 75th Cong.)	-----	\$94, 285, 404. 73
Act of Aug. 9, 1939 (appraisal as of Mar. 31, 1939, H. Doc. 317, 76th Cong.)	-----	119, 599, 918. 05
Act of July 3, 1941 (appraisal as of Mar. 31, 1941, H. Doc. 248, 77th Cong.)	-----	1, 637, 445. 51
Total appropriations	-----	215, 522, 768. 29
Less amount returned to Treasury:		
Appraisal as of Mar. 31, 1940	-----	\$43, 756, 731. 01
Appraisal as of Mar. 31, 1942	-----	27, 815, 513. 68
		71, 572, 244. 69
Net payments to Corporation	-----	1 143, 950, 523. 60

<sup>1</sup> Exclusive of impairment as of Mar. 31, 1943, in the sum of \$39,436,884.93, for which no appropriation was made. The appraisal of Mar. 31, 1944, has not been completed.

*Securities and funds, Philippine invasion.*—During the fiscal year 1944 the Department continued to receive inquiries relating to valuables salvaged from the Philippine Islands at the time of the Japanese invasion. However, none of the items held in custody had been released during the past year. Records, securities, and other valuables deposited for safekeeping remain in the custody of the Federal Reserve Bank of San Francisco, subject to the order of the Secretary of the Treasury.

Rebuilding the account of the Treasurer of the United States with the Treasury of the Philippine Islands for the month of December 1941 has continued as additional information has become available.

*Advances to Federal Reserve Banks for industrial loans.*—Advances to Federal Reserve Banks for industrial loans were authorized by the act approved June 19, 1934 (48 Stat. 1105), which amended the Federal Reserve Act, as amended, by adding section 13 (b). The provisions under which the Secretary of the Treasury makes these advances were described on pages 184 and 185 of the annual report for 1940.

No advances were made to the banks during the fiscal years 1939 through 1944, the latest advance having been made on October 14, 1937. Amounts received by the Treasury during the year aggregated \$245,236.85. The following statement summarizes the transactions in connection with these advances to Federal Reserve Banks.

*Advances to Federal Reserve Banks for industrial loans, and payments by such banks to the Treasury, through June 30, 1944*

Federal Reserve Bank	Advances by Treasury		Payments received by Treasury	
	Maximum authorized	Total advances through June 30, 1944	During fiscal year 1944	Total through June 30, 1944
Atlanta.....	\$5,272,031.55	\$756,934.44	\$15,138.69	\$54,152.94
Boston.....	10,230,236.88	2,875,115.98	55,807.86	163,688.92
Chicago.....	19,748,516.70	1,417,701.33	631.80	142,389.07
Cleveland.....	14,146,863.66	1,015,571.33	599.31	74,881.19
Dallas.....	4,359,338.10	1,251,788.08	738.20	99,890.46
Kansas City.....	4,131,276.30	1,145,717.73	1,841.53	45,355.01
Minneapolis.....	3,509,467.65	1,007,746.96	75.13	34,959.90
New York.....	42,529,210.65	7,752,044.63	17,878.16	135,142.38
Philadelphia.....	14,620,883.52	4,198,400.60	83,968.01	547,411.12
Richmond.....	5,808,291.43	3,420,662.05	24,307.34	163,789.03
St. Louis.....	5,063,112.25	547,832.83	1,114.92	7,062.86
San Francisco.....	9,850,328.30	2,156,795.01	43,135.90	43,135.90
Total.....	139,299,556.99	27,546,310.97	245,236.85	1,511,858.78

*Appropriations and expenditures under the Social Security Act.*—The Social Security Act, approved August 14, 1935, as amended (42 U. S. C., Ch. 7), provides for the establishment of a system of Federal old-age and survivors benefits, and for grants to the several States to enable them to make adequate provision for aged and blind persons; needy, dependent, and crippled children; maternal and child welfare; public health services; and the administration of State unemployment compensation laws.

Section 201 (a) of the Social Security Act Amendments of 1939, approved August 10, 1939, makes permanent appropriations to the Federal old-age and survivors insurance trust fund for the fiscal year 1941 and each year thereafter equal to 100 per centum of the employment taxes received under the Federal Insurance Contributions Act and covered into the General Fund of the Treasury.

The amounts appropriated through June 30, 1944, under the various authorizations contained in the Social Security Act, as amended, and total expenditures from such appropriations through June 30, 1944, are shown in table 13 on page 584. Receipts, expenditures, and investments of the Federal old-age and survivors insurance trust fund and

the unemployment trust fund are shown in tables 77 and 79 on pages 743 and 745.

*Colorado River Dam fund.*—The Colorado River Dam fund was established under the act of December 21, 1928, which provided for the construction of works commonly referred to as the Boulder Canyon project. All revenues and expenditures pertaining to the fund are under the direction of the Secretary of the Interior.

Under an act of Congress approved July 19, 1940 (54 Stat. 774), the Secretary of the Interior was authorized to promulgate and to put into effect charges for electrical energy generated at the dam site. The act further provides that the receipts from these charges be used to meet costs of operation and maintenance; to repay to the Treasury, with interest, the advances made to the fund for the project; to provide \$300,000 annually to each of the States wherein the project is located, namely, Arizona and Nevada, beginning with the year of operation ended May 31, 1938; and to transfer \$500,000 annually to the Colorado River development fund beginning with the year of operation ended May 31, 1938.

The act states that the first \$25,000,000 of advances made by the Treasury to the Colorado River Dam fund is an allocation for flood control, and repayment may be deferred for 50 years after date of receipt by the fund of such advances, that is, to June 1, 1987, and repayments shall be made at that time in the manner Congress shall determine. For this reason, this sum of \$25,000,000 is not included under the caption "Advances" in the statement below.

The act further stipulates that interest charges for purposes of advances and reimbursements shall be computed at the rate of 3 percent, in lieu of the 4 percent rate specified in previous legislation. The statement which follows is on an operating year basis and reflects the necessary revisions required under the act approved July 19, 1940

*Status of Colorado River Dam fund as of close of each operating year, 1933 through 1944*

Operating year ended May 31	Charges <sup>1</sup>				Credits <sup>2</sup>		Balance due
	Advances	Interest on advances	Interest on amount outstanding	Total	Reimburse- ments	Interest on reim- burse- ments	
1933.....	\$11,890,532.62	\$101,529.95		\$11,992,062.57			\$11,992,062.57
1934.....	18,424,397.76	249,674.11	\$359,761.88	19,033,833.75			19,033,833.75
1935.....	23,607,521.44	399,464.48	930,776.89	24,937,762.81			24,937,762.81
1936.....	19,976,009.81	319,761.45	1,678,909.77	21,974,681.03			21,974,681.03
1937.....	7,410,641.30	147,073.83	2,338,150.21	9,895,865.34			9,895,865.34
1938.....	5,685,000.00	88,848.90	2,635,026.17	8,408,875.07	\$1,100,000.00	\$30,221.91	7,278,653.16
1939.....	5,590,265.49	74,926.12	2,853,385.76	8,518,577.37	4,600,000.00	67,101.35	3,851,476.02
1940.....	4,050,000.00	67,278.68	2,968,930.04	7,086,208.72	3,500,000.00	56,377.05	3,529,831.67
1941.....	4,800,000.00	87,875.34	3,074,824.99	7,962,700.33	7,000,000.00	93,780.80	868,919.53
1942.....	3,546,585.62	56,152.98	3,100,892.58	6,703,631.18	2,000,000.00	41,753.42	4,661,877.76
1943.....	4,700,000.00	99,139.68	3,240,748.91	8,039,888.59	2,000,000.00	10,849.32	6,029,039.27
1944.....	2,725,000.00	45,625.00	3,421,620.09	6,192,245.09	5,000,000.00	49,657.38	1,143,187.71
Total.....	112,405,954.04	1,737,350.52	26,603,027.29	140,746,331.85	25,200,000.00	349,141.23	<sup>3</sup> 115,197,190.62

<sup>1</sup> Excludes \$25,000,000 of advances allocated to flood control, repayment of which is deferred to June 1, 1987.

<sup>2</sup> Reimbursements have been applied toward reduction of "interest on advances."

<sup>3</sup> Includes \$2,791,236.58 representing unpaid interest.

*Division of Bookkeeping and Warrants*

The Division of Bookkeeping and Warrants, in the name of the Secretary of the Treasury, issues all warrants on the Treasurer of the United States, and under section 10 of the act of July 31, 1894 (5 U. S. C. 255), maintains the official accounts relating to the receipt, appropriation, and expenditure of the public moneys, covering all departments and establishments of the Government. The Division makes analyses of acts of Congress carrying appropriations and maintains the necessary appropriation accounts in its ledgers; it issues warrants for placing funds to the credit of disbursing officers, for the payment by the Treasury of claims settled by the General Accounting Office, and for covering into the Treasury the revenues and receipts of the Government. The Division also compiles and publishes an annual digest of the appropriations made by Congress. The volume of work performed in the Division during the fiscal year 1944 was increased by war activities.

Donations accepted by the Secretary of the Treasury under the Second War Powers Act, 1942, are shown in the table on page 128.

*Financial reports.*—There is compiled and published, in accordance with U. S. C. title 5, section 264, an annual Combined Statement of Receipts, Expenditures, and Balances of the United States Government, designating the amounts of receipts, whenever practicable, by ports, districts, and States, and the expenditures by each separate head of appropriation. This report is required to be submitted to the Congress on the first day of the regular session in each year.

Other financial statements pertaining to the receipts, appropriations, and expenditures of the Government and its various agencies are prepared periodically during the year for inclusion in the daily Treasury statement, the monthly Treasury Bulletin, and the Annual Report of the Secretary of the Treasury.

During the fiscal year 1944 a monthly combined statement covering information with respect to the financial condition of Government corporations and credit agencies was prepared and published in the daily Treasury statement on the last day of each month. Beginning with the fiscal year 1945 this statement is published in the daily Treasury statement on a quarterly basis. The statement for the first quarter, ended September 30, appeared in the daily Treasury statement of November 15, 1944. Subsequent quarterly statements will be published in the daily Treasury statements of February 15, May 15, and August 15. Also, a statement of contingent liabilities of the United States is published in the daily Treasury statement on the first day of each month. These statements, as of June 30, 1944, will be found as tables 91 and 58, beginning on pages 758 and 716 of this report.

A complete annual financial report from information submitted by Government corporations and credit agencies under Budget-Treasury Regulation No. 2 (Executive Order No. 8512) is also compiled.

A summary report is compiled monthly from financial data submitted by the departments and agencies under Budget-Treasury Regulation No. 1 (Executive Order No. 8512). This summary report consists of a series of tables showing the current status of the appropriations and contract authorizations available to each agency of the Government during the fiscal year in progress. A section of the report

is devoted to war activities in order to give a complete picture of that program since July 1, 1940.

### *Division of Disbursement*

The Division of Disbursement exercises the disbursing functions, in Washington and in the field, for all departments and establishments of the Government with the exception of the Post Office Department, United States Marshals, the Panama Canal, the War and Navy<sup>1</sup> Departments, and certain Government corporations.

On June 30, 1944, the Division maintained the Central Office in Washington, D. C., 20 regional offices in the United States, and 5 regional offices in Alaska, Puerto Rico, Hawaii, the Virgin Islands, and Panama. Disbursing functions were also maintained at 25 points in foreign countries and 1 point in Alaska on account of war activities.

During the year the Division made 61,009,197 payments, of which 60,031,420 were by check and 977,777 in cash. These payments were supported in the disbursing accounts by 7,378,940 vouchers. The Division also received, deposited, and accounted for 10,898,153 collection items. Included in the foregoing are 13,310,770 items of payments and collections for agencies which have been established in connection with the war.

*Voluntary payroll savings plan.*—In connection with the voluntary payroll allotment plan for the purchase of war savings bonds, the Chief Disbursing Officer serves as the Bond Issuing Officer for departments and agencies served by the Division of Disbursement.

During the year there was collected by the Division of Disbursement, through withholdings from salaries of Federal employees, the sum of \$123,119,305.44 on account of bond allotments, against which 4,343,544 war savings bonds were issued by the Division at the purchase price of \$118,248,351.61, this amount having been covered into the Treasury as public debt receipts. The difference will be applied to the purchase of bonds to be issued when withheld amounts to the credit of the individual employee equal the purchase price of a bond of the denomination specified by the employee.

*Victory and income tax withheld.*—In accordance with Public Law 753, approved October 21, 1942, and Public Law 68, approved June 9, 1943, there was withheld by the Division of Disbursement from salaries of Federal employees on account of the Victory and income tax an aggregate of \$146,983,100.59. These funds were currently deposited into a special deposit account in the Treasury to the credit of the Chief Disbursing Officer, and were paid over to collectors of internal revenue quarterly, as provided by regulations, on the basis of vouchers submitted by the administrative agencies concerned.

*Bonding of certifying officers.*—Under the provisions of Public Law 389, approved December 29, 1941, providing for the bonding of officers and employees authorized to certify vouchers for payment by disbursing officers in the executive branch of the Government, there were approximately 9,000 such bonded certifying officers at the close of the fiscal year 1944.

*Tabulating card checks.*—The Division of Disbursement is cooperating in the Treasury Department's program providing for the pay-

<sup>1</sup> Except civilian pay rolls.

ment by the Federal Reserve Banks of checks drawn on the Treasurer of the United States, and for the use of tabulating card checks, in lieu of the former style of paper checks, in that operation. In May 1943 in the regional disbursing office at Chicago, Ill., the Division of Disbursement made the first conversion from paper checks to tabulating card checks for its regular disbursements. At the close of the fiscal year 1944 all checks issued by the 20 regional offices in the continental United States were on card checks, except for a small number issued under disbursing symbols which it has not been deemed feasible to convert. The program for conversion in the Washington office was started in May 1944 and will be completed during the early part of the fiscal year 1945. This change will result in transferring from the Treasurer's office at Washington to the Federal Reserve Banks the payment of approximately 68,700,000 checks during the fiscal year 1945, leaving approximately 16,000,000 checks to be paid by the Treasurer's office at Washington.

*Agent cashiers.*—There are approximately 1,800 employees of other Government agencies who are bonded and designated as agent cashiers to the Chief Disbursing Officer of the Treasury Department. The majority of these agent cashiers are located in the United States and make emergency payments which it has been found impracticable to make through the regional disbursing offices of the Division of Disbursement because of the need for immediate cash payments. The other agent cashiers are appointed for duty in various parts of the world in connection with war operations.

*Staggered pay days and cash payments to employees.*—The execution of the plans for staggered pay days for Government employees in the District of Columbia and for paying those in lower grades in cash rather than by check, adopted during 1942, has materially eased the strain on local check cashing facilities and has been generally helpful to the employees. However, the practice of paying employees on the last day of the pay period continues to be a serious administrative problem which the Treasury, Bureau of the Budget, and General Accounting Office are undertaking to work out.

*Changes in and simplification of duplicate check procedure.*—Because of the increased number of duplicates of lost checks which had to be issued the regulations and procedure were greatly simplified by a revision of Treasury Department Circular No. 327, on April 29, 1944, and Treasury Department Forms 2244 and 2244a (Bond of Indemnity and Application for Duplicate Check). A copy of the revised circular is shown on page 507 of this report.

### *Division of Deposits*

The Division of Deposits is charged with the administration of matters pertaining to the designation and supervision of Government depositaries and the deposit of Government funds in such depositaries, as prescribed by the regulations incorporated in Department Circulars Nos. 92 and 176, as amended; the qualification of Federal savings and loan associations as fiscal agents of the United States under Circular No. 568; the maintenance of a record of cash collateral pledged in lieu of securities by issuing agents designated under Circular No. 657 for the sale and issuance of war savings bonds, Series E; and the execution of the duties devolving upon the Secretary of



the Treasury as a result of the enactment of the Government Losses in Shipment Act, as amended.

*Depository functions.*—The following statement shows the number and classes of depositaries maintained by the Treasury and the Government deposits held by such depositaries as of June 30, 1944.

*Number of depositaries and amount of Government deposits held on June 30, 1944, by classes of depositaries*

Depositaries	Number	Amount
Federal Reserve Banks (including branches).....	12	\$1,441,880,141.75
Insured bank depositaries:		
To credit of Treasurer of United States.....	1,812	{ 196,823,579.49 80,569,507.05
To credit of other Government officers.....		
Insular and territorial depositaries (including Philippine Treasury):		
To credit of Treasurer of United States.....	33	{ 48,617,867.24 83,226,133.34
To credit of other Government officers.....		
Foreign depositaries:		
To credit of Treasurer of United States.....	90	{ 12,221,722.04 52,241,951.88
To credit of other Government officers.....		
Special depositaries.....	10,519	18,006,530,000.60
Total.....	12,466	119,922,110,962.79

<sup>1</sup> Does not include \$9,072,500 time deposits with depositaries for withheld taxes.

During the year there were 6,838 changes and adjustments effected in the depository system of the Treasury. These changes and adjustments are summarized in the following table.

Adjustments	Insured bank depositaries	Special depositaries
Designated.....	397	767
Discontinued.....	154	49
Amount for which qualified:		
Increased.....	1,244	3,565
Decreased.....	284	8
Miscellaneous changes.....	370	-----
Total.....	2,449	4,389

The number of changes and adjustments in insured bank depositaries indicates a substantial increase over those which occurred during the fiscal year 1943. This is the result of continued requests for the designation of new depositaries and for authority to use existing depositaries by the War and Navy Departments.

Regulations of the Treasury covering special depositaries of public moneys were amended December 15, 1943. Department Circular No. 92, revised as of that date, designates all incorporated banks and trust companies in the United States, Alaska, Hawaii, Puerto Rico, Virgin Islands, and the Panama Canal Zone as special depositaries, subject to qualification in accordance with the provisions of the circular. The determination as to the maximum amount of deposits for which a special depository is qualified is committed to the several Federal Reserve Banks acting under the direction of the Secretary of the Treasury.

*Designation of banks as depositaries for withheld taxes.*—The Current Tax Payment Act of 1943 became effective July 1, 1943, introducing several changes relating to the collection and payment of income taxes. The act provides for the collection at the source of income taxes on

salaries and wages. Under regulations issued by the Treasury the major proportion of the accumulated funds are deposited monthly by employers in certain designated depository banks, against which the depositories issue their receipts to the employers. These receipts are transmitted with quarterly tax returns filed with collectors of internal revenue. Amounts deposited in the depositories are promptly remitted to the Federal Reserve Banks for credit in the Treasurer's account. This procedure has made these funds available to the Treasury on a more current basis, as compared with the previous method of quarterly tax payments.

Department Circular No. 714, as amended, prescribes regulations governing the payment through depository banks of funds withheld as taxes in accordance with the provisions of the act. This circular and the amendment dated July 22, 1943, appeared as exhibits 66 and 67 in the annual report for 1943. The circular was further amended on November 30, 1943, and April 4, 1944 (see exhibit 60 on page 509), to provide for a modification of the requirements in connection with the signing of depository receipts by officers of depositories, and to provide for a change in the basis to be used by Federal Reserve Banks and branches in computing allotments of 2 percent depository bonds, Second Series, to depositories for withheld taxes. As of June 30, 1944, 9,192 banks were qualified as depositories for withheld taxes, and 2 percent depository bonds, Second Series, in the net amount of \$89,261,000 have been allotted to these depositories. Of this amount, \$80,188,500 of bonds were purchased by the depositories with their own funds and \$9,072,500 were invested from a like amount of Treasury cash balances maintained with such banks. During the year remittances totaling \$6,336,149,070.43 were received by Federal Reserve Banks and branches from depositories for withheld taxes.

*Depository bonds.*—Department Circular No. 660, dated May 23, 1941, as amended, prescribes the regulations of the Treasury governing the issuance of 2 percent depository bonds. These bonds are allotted to banks designated as depositories and financial agents of the Government and provide an income which offsets the costs incurred by depositories in handling the Government's business.

As of June 30, 1944, 2 percent depository bonds, First Series, in the face amount of \$411,938,750 had been issued and \$26,878,000 had been redeemed. The amount outstanding on that date was \$385,060,750, which does not include bonds issued to depositories for withheld taxes.

*Designation of agencies for the issuance of war savings bonds, Series E.*—The Division maintains a record of cash collateral pledged, in lieu of securities, by designated agents for the sale and issuance of war savings bonds of Series E, as specified in Department Circular No. 657, as amended. As provided in the third amendment, dated July 17, 1942, to Department Circular No. 657, these agents are no longer required to pledge collateral security for consignments of war savings bond stock. As a result of this provision the number of issuing agents which have deposited cash collateral has continued to decrease. As of June 30, 1944, there were 160 issuing agents qualified by the pledging of cash collateral aggregating \$595,963.75.

*Federal savings and loan associations.*—On June 30, 1944, the Federal Home Loan Bank System reported to the Treasury that 1,465 Federal savings and loan associations were eligible to qualify as fiscal agents

under Department Circular No. 568, dated September 15, 1936, for the purpose of collecting delinquent accounts arising out of insurance and loan transactions of the Federal Housing Commissioner. Of this number 85 had qualified for this purpose either by the pledge of collateral security or the filing of an acceptable surety bond.

*Social security.*—Under existing arrangements between the Treasury and the Social Security Board, various depositaries of public moneys, designated by the Secretary of the Treasury, were authorized to carry balances of Treasury funds as a basis for servicing State unemployment compensation benefit payment accounts and clearing accounts.

As of June 30, 1944, 65 banks were designated for this purpose with authority to maintain Treasury balances totaling \$15,100,000.

*Banking facilities at Army posts and naval stations.*—The Treasury, through the use of its depositary system, continued to provide banking facilities at Army posts and naval stations where it was determined that such facilities would aid in the prosecution of the war. As of June 30, 1944, 227 depositaries and financial agents of the Government were providing banking facilities at 269 Army posts and naval stations. During the fiscal year 1944, 15 facilities were terminated. The following statement shows the character and approximate monthly volume of such business handled by all banking facilities in the United States during the fiscal year 1944.

	<i>Amount</i>
Checks cashed:	
Drawn on Treasurer of the United States (\$50,000 checks).....	\$70, 500, 000
Other checks cashed (1,525,000 checks).....	86, 300, 000
Deposits accepted:	
For credit to the Treasurer of the United States.....	83, 000, 000
Other deposits.....	184, 200, 000
Cash furnished finance and disbursing officers.....	61, 700, 000
War bonds and stamps sold.....	9, 500, 000
Sales of travelers' checks, cashiers' checks, bank money orders, etc. (160,000 sales).....	17, 500, 000
Total monthly dollar volume.....	511, 700, 000

*Government Losses in Shipment Act.*—The Government Losses in Shipment Act, approved July 8, 1937 (50 Stat. 479), as amended by an act approved August 10, 1939 (53 Stat. 1358), was designed to provide within the Government an adequate means of prompt replacement of losses resulting from the shipment by the executive departments, independent establishments, agencies, wholly owned corporations, officers and employees of the United States of certain articles, things, or representatives of value, thus eliminating the necessity of purchasing insurance from private companies for such replacements. The articles, things, or representatives of value declared to be "valuables" by the Secretary of the Treasury, within the meaning of that term in section 7 (a) of the act, include money of the United States and foreign countries, securities and other instruments or documents, precious metals and stones, and works or collections of artistic, historical, scientific, or educational value. The shipment of "valuables" is governed by regulations designed to minimize the risks of loss, destruction, or damage, and to facilitate replacement under the provisions of the act, in the event such procedure becomes necessary.

Under the provisions of section 3 (i) of the Public Debt Act of 1943 (Public Law 34), the fund for payment of Government losses in shipment was made available for replacement of any losses resulting from payments made in connection with the redemption of savings bonds, under regulations to be prescribed by the Secretary of the

Treasury. No payments have been made out of the fund for this purpose.

The monetary value of shipments, reported to have been made during the fiscal year 1944 under the Government Losses in Shipment Act, as amended, of the classes of valuables which were covered by the Treasury's contracts with insurance companies prior to the enactment of the act amounted to \$171,256,772,313. This represents an increase of \$20,391,345,995 over shipments made during the fiscal year 1943. The estimated premium savings in connection with shipments for 1944 were more than \$3,500,000, and the premium savings since the inception of the act have been more than \$9,500,000, by using any one of the three bases on which the estimates are made, as shown in the following table.

*Estimated premium savings during the fiscal years 1943 and 1944 and the total estimated savings through June 30, 1944*

On the basis of premium rates for—	Fiscal year 1943	Fiscal year 1944	August 15, 1937, through June 30, 1944
Fiscal year 1938 <sup>1</sup> .....	\$3, 165, 000	\$3, 583, 000	\$9, 530, 000
Fiscal year 1937 <sup>2</sup> .....	3, 947, 000	4, 470, 000	12, 092, 000
Fiscal years 1936-38 <sup>3</sup> .....	3, 800, 000	4, 303, 000	11, 621, 000

<sup>1</sup> Lowest rates under insurance contract system.

<sup>2</sup> Rates in effect at time estimates of premium savings were presented to Congress.

<sup>3</sup> Average based on rates effective in last three years of Government insurance contract system.

Other classes of valuables covered under the provisions of the Government Losses in Shipment Act and having an aggregate value of \$222,225,070,944 were shipped during the year; however, these have not been included in the calculation of estimated premium savings in the above table because, as a general practice, the Government did not insure them prior to the effective date of the act.

The following table shows the loss experience resulting from shipments of valuables under the act during the fiscal year 1944.

*Number and value of items reported lost, settled, and unadjusted, fiscal year 1944*

Items reported lost	Number	Value
Unadjusted July 1, 1943.....	64	\$649, 237. 15
Reported lost during year.....	169	698, 958. 47
Total to be settled.....	233	1, 348, 195. 62
Settled by replacement out of fund.....	167	84, 889. 66
Settled by credit in accounts.....	1	571, 000. 00
Settled without replacement or credit.....	24	5, 246. 71
Total settled.....	192	661, 136. 37
Unadjusted June 30, 1944.....	41	687, 059. 25

Section 3 (a) of the act provides for payment of losses arising from agency functions performed by the Post Office Department for the Treasury, irrespective of the manner in which losses occurred. Such losses may result from fire, theft, robbery of a post office, embezzlement, or similar contingencies. The increase in the number of losses reported, from 123 in 1943 to 169 in 1944, may be attributed chiefly

to the loss or destruction of motor vehicle tax stamps and funds, war savings stamps and funds, and war savings bonds and funds, while in the custody of the Post Office Department acting in the capacity of agent for the Treasury in the sale of such stamps and bonds.

Pursuant to section 3 (b) of the act, as amended, there were executed during the year 39 agreements of indemnity, in the aggregate amount of \$463,448.55, in connection with which no payments have been required. The total number of agreements executed through June 30, 1944, was 58, amounting to \$543,508.22.

*Fund for the payment of Government losses in shipment (revolving fund), June 30, 1944*

#### I. RECEIPTS AND EXPENDITURES

	Cumulative through June 30, 1943	Increase or decrease (—), fiscal year 1944	Cumulative through June 30, 1944
<b>Receipts:</b>			
Appropriations.....	\$602,000.00		\$602,000.00
Transferred from the securities trust fund (Sept. 21, 1939) <sup>1</sup> .....	91,803.13		91,803.13
Recoveries of payments for losses.....	262.50	\$222.09	484.59
Total receipts.....	694,065.63	222.09	694,287.72
<b>Expenditures:</b>			
Payment for losses.....	\$ 12,889.15	84,889.66	\$ 97,778.81
Balance in fund.....	681,176.48	—84,607.57	596,508.91

#### II. FUND ASSETS

	June 30, 1943	Increase or decrease (—)	June 30, 1944
<b>Unexpended balances:</b>			
To credit of disbursing officer.....	\$2,551.39	\$35,110.34	\$37,661.73
On books of the Division of Bookkeeping and Warrants.....	678,625.09	—119,777.91	558,847.18
Total fund assets.....	681,176.48	—84,607.57	596,508.91

<sup>1</sup> The act of Aug. 10, 1939 (53 Stat. 1358), amended the Government Losses in Shipment Act, and in section 1 the Secretary of the Treasury was authorized and directed to transfer to this fund the amount standing to the credit of the securities trust fund.

<sup>2</sup> Includes payment in the amount of \$64.44 representing an excess recovery previously paid into the fund from the securities trust fund.

<sup>3</sup> Includes approximately \$8,000 in settlement of losses which do not represent actual monetary loss to the Government.

#### *Section of Surety Bonds*

The Secretary of the Treasury, under the act of Congress approved August 13, 1894 (28 Stat. 279), as amended by the act approved March 23, 1910 (36 Stat. 241), issues certificates of authority to corporate surety companies to qualify as acceptable sureties on bonds and other obligations in favor of the United States.

On June 30, 1944, there were 83 domestic companies holding certificates of authority, qualifying them as sole sureties on recognizances, stipulations, bonds, and undertakings permitted or required by the laws of the United States, to be given with one or more sureties. During the year 3 certificates of authority were issued to domestic companies qualifying them as sole sureties on bonds in favor of the United States. There were also 7 branches of foreign companies holding certificates of authority authorizing them to act only as reinsurers on bonds in favor of the United States.

The Section of Surety Bonds reviews the financial statements of surety companies authorized to transact business with the United States; determines their underwriting limitations; makes examinations into their financial condition at their home offices, when necessary; and performs other duties to determine whether the companies observe the requirements of Federal law and the regulations of the Secretary of the Treasury issued pursuant thereto.

The Section of Surety Bonds has custody of all fidelity bonds in favor of the United States, except those filed with the Post Office Department and the Federal courts, and notifies the accounting officers of the receipt and filing of such bonds. It examines and approves as to corporate surety all fidelity and surety bonds with a few exceptions as referred to above.

During the year 81,328 bonds and consent agreements cleared through the Section for approval as to corporate surety. This number includes official bonds and consent agreements totaling 48,349, which is an increase in these classes of more than 22 percent over the preceding year. This total increase was largely due to the continued expansion of the Army and the Navy.

A further amendment to the act of Congress approved March 2, 1895, was approved under date of March 31, 1944 and provides that the payment and acceptance of the annual premium on corporate surety bonds furnished by officers and employees of civilian agencies of the United States shall be a compliance with the requirement for the renewal of such bonds. A copy of this amendment (Public Law 275) appears as exhibit 61 on page 514 of this report.

### *Treasury Budgetary Section*

This Section, which is in the Bureau of Accounts, constitutes in part the operating staff of the Budget Officer of the Department, coordinating departmental estimates of appropriations, justifications, and reports and performing related duties in accordance with the requirements of the Budget Officer, Treasury Department. The Section also performs similar duties for the Commissioner of Accounts and has administration of special deposit accounts of the Secretary of the Treasury, which cover alien property trust funds in the Treasury, offers in compromise under the provisions of section 3469 of the Revised Statutes, Philippine trust funds held in interest-bearing accounts, cash collateral furnished by issuing agents for the sale of war savings bonds, Series E, and accounts pertaining to withheld foreign check payments.

*Alien property trust fund.*—A statement of the alien property trust fund as of June 30, 1944, follows.

#### *Alien property trust fund, June 30, 1944*

Credits (net):		
Trusts.....		\$38,742,098.15
Earnings on investments, etc.....		26,462,259.98
Total.....		<u>65,204,358.13</u>
Assets:		
Investments:		
Participating certificates issued under sec. 25 (e) of the Trading with the Enemy Act:		
Noninterest-bearing .....	\$20,861,206.97	
5% interest-bearing .....	34,347,476.76	
		55,208,683.73
Cash balance with the Treasurer of the United States.....		9,995,674.40
Total fund assets June 30, 1944.....		<u>65,204,358.13</u>

Checks issued by the Treasury Department during the year to the Alien Property Custodian on account of the alien property trust fund amounted to \$50,000, on account of distribution of income.

*Philippine funds in the United States Treasury.*—Under the act of March 8, 1902 (32 Stat. 54), reenacted in section 3343 (b) of the Internal Revenue Code, approved February 10, 1939, it was provided that all duties and taxes collected in the United States upon articles coming from the Philippine Archipelago and upon foreign vessels coming therefrom were to be held as a separate fund and paid into the treasury of the Philippine Islands to be expended for the government and benefit of the Islands.

A summary follows showing customs duties, tonnage taxes, and internal revenue taxes, exclusive of taxes with respect to coconut oil, appropriated to Philippine accounts and payments therefrom during the fiscal years 1934 through 1944.

Fiscal year	Receipts <sup>1</sup> appropriated	Payments to Philippine Government <sup>2</sup>	Unpaid balance
1934.....	\$527,426.40	\$813,371.78	\$568,653.59
1935.....	491,458.50	502,551.53	557,560.56
1936.....	645,890.13	745,957.75	457,492.94
1937.....	755,865.76	891,725.93	321,632.77
1938.....	813,852.30	934,689.47	200,795.60
1939.....	569,468.06	626,347.68	143,915.98
1940.....	703,874.28	482,106.02	365,684.24
1941.....	538,089.63	2,987.84	900,786.03
1942.....	420,293.47	78.32	1,321,001.18
1943.....	35,192.34	426.77	1,352,975.72
1944.....	4,909.08	37.76	1,357,847.04

<sup>1</sup> Reduced by amounts carried to surplus fund as follows: 1936, \$17,540.28; 1937, \$9,783.75; 1939, \$15,151.70; 1940, \$957.78; 1941, \$36,822.72; 1942, \$747.58; and 1943, \$2,791.03.

<sup>2</sup> Includes certain refunds and adjustments.

Under the act of June 11, 1934 (48 Stat. 929; 48 U. S. C. 1157), the Secretary of the Treasury was authorized to accept, upon such conditions as he might prescribe, deposits of public moneys of the Philippine Government. The act provided an indefinite appropriation for the payment of interest on such deposits other than demand deposits at such rates not in excess of 2 percent per annum as the Secretary might prescribe.

Thereafter, the Secretary of the Treasury agreed to accept not to exceed \$55,000,000 of Philippine moneys in a time deposit account, amounts deposited with the Treasury by the Philippine Government in excess of that sum to be maintained in a demand deposit account. Since December 10, 1934, the balance in the time deposit account has been maintained at \$55,000,000. The balance in the demand deposit account as of June 30, 1944, was \$90,896,425.52.

Section 602½ of the act of May 10, 1934 (48 Stat. 763), provided that taxes collected with respect to coconut oil wholly of Philippine production or produced from materials wholly of Philippine growth or production should be paid to the treasury of the Philippine Islands subject to certain conditions. An agreement was consummated between the Secretary of the Treasury and the Philippine Government under which coconut oil moneys payable to the Philippine treasury would be transferred on periodic settlements of the General Accounting Office to a special deposit account in the name of the Secretary of

the Treasury subject to withdrawal by the Philippine Government on ninety days' notice in writing. Interest at the rate of 2 percent per annum is paid on the daily balances in this account. A summary of transactions in the account from the time of its establishment to date follows.

Fiscal year	Deposits	Withdrawals	Balance at end of year
1938.....	\$56,854,779.06		\$56,854,779.06
1939.....	20,355,455.65	\$32,000,000.00	45,210,234.71
1940.....	4,559,016.46	<sup>1</sup> 17,564,016.41	32,205,234.76
1941.....	72,850.96		32,278,085.72
1942.....		5,000,000.00	27,278,085.72
1943.....			27,278,085.72
1944.....		<sup>2</sup> 511,159.24	26,766,926.48

<sup>1</sup> Includes \$7,564,016.41 transferred to account established under act of August 7, 1939.

<sup>2</sup> Transferred to account established under act of August 7, 1939.

Section 6 of the act of August 7, 1939 (53 Stat. 1232), provided that collections on or after January 1, 1939, on account of the excise taxes imposed by section 2470 of the Internal Revenue Code, and the import taxes imposed by sections 2490 and 2491 of the Internal Revenue Code, and any moneys hereafter appropriated in accordance with the authorization contained in section 503 of the Sugar Act of 1937 (50 Stat. 915) shall be held as separate funds and paid into the treasury of the Philippines to be used for the purpose of meeting new or additional expenditures which will be necessary in adjusting Philippine economy to a position independent of trade preferences in the United States and in preparing the Philippines for the assumption of the responsibilities of an independent state.

An account was established in the fiscal year 1940 for the deposit of the funds referred to in section 6 of the act of August 7, 1939. Withdrawals by the Philippine Government from this account are subject to ninety days' notice in writing. Interest at the rate of 1 percent is paid on the daily balances in this account.

A summary of transactions in the account from the time of its establishment to date follows.

Fiscal year	Deposits	Withdrawals	Balance at end of year
1940.....	\$17,274,092.01		\$17,274,092.01
1941.....	15,258,938.13	\$20,000,000.00	12,533,030.14
1942.....	25,566,349.12	9,000,000.00	29,099,429.26
1943.....	3,517,267.87		32,616,697.13
1944.....	2,976,071.64		35,592,768.77

*Appropriation of funds to the Government of the Commonwealth of the Philippines for national defense.*—Public Law 371, approved December 23, 1941, appropriated, in accordance with the provisions of section 503 of the Sugar Act of 1937 (50 Stat. 915) such moneys as had been collected prior to the passage of the act of December 23, 1941, for the purpose of enabling the Secretary of War to meet expenses for each and every purpose necessary to provide for public relief and civilian defense in the Philippine Islands.

On June 30, 1944, there had been established upon the books of the Treasury Department approximately \$39,000,000 which was



available for appropriation to the Government of the Commonwealth of the Philippines.

In accordance with provisions of Public Law 371, \$35,000,000 was appropriated for this purpose.

*Supplementary sinking fund for the payment of bonds of the Philippines.*—Under section 6 of the act of March 24, 1934, entitled "An Act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes," as amended by the act of August 7, 1939, it was provided that on and after January 1, 1941, the Philippine Government shall impose and collect an export tax on every Philippine article shipped from the Philippines to the United States, except as otherwise specifically provided. It was further provided that the Philippine Government shall pay to the Secretary of the Treasury of the United States, at the end of each calendar quarter, all of the moneys received during such quarter from export taxes (less refunds), imposed and collected in accordance with the provisions of this section, and said moneys shall be deposited in an account with the Treasurer of the United States and shall constitute a supplementary sinking fund for the payment of bonds of the Philippines, its provinces, cities, and municipalities, issued prior to May 1, 1934, under authority of acts of Congress.

Accordingly, there was established with the Treasurer of the United States a special deposit account in the name of the Secretary of the Treasury entitled "The Secretary of the Treasury for Account of the Philippine Government—Supplementary Sinking Fund for the Payment of Bonds of the Philippines, its Provinces, Cities, and Municipalities, Issued Prior to May 1, 1934, under Authority of Acts of Congress (Symbol 891-855)."

The following statement shows the cumulative transactions since the inception of the fund and its status as of June 30, 1944.

*Supplementary sinking fund for the payment of bonds, issued prior to May 1, 1934 of the Philippines, its provinces, cities, and municipalities, June 30, 1944*

I. RECEIPTS AND EXPENDITURES

Receipts:		
Taxes on exports .....		\$1, 586, 135.92
Interest on investments .....		98, 469.06
Total receipts .....		1, 684, 604.98
Expenditures .....		
Balance in fund .....		1, 684, 604.98

II. FUND ASSETS

Investments:		
Philippine Government bonds:	Face amount	Principal cost
4% due Dec. 1, 1946 .....	\$207, 000	\$205, 242.50
4½% due Dec. 1, 1950 .....	33, 000	35, 961.30
5% due Feb. 1, 1952 .....	32, 000	35, 549.73
4½% due July 1, 1952 .....	258, 000	270, 623.81
4½% due July 15, 1952 .....	373, 000	400, 089.14
5% due Apr. 1, 1955 .....	21, 000	19, 877.50
4½% due May 1, 1957 .....	5, 000	5, 775.40
4½% due July 1, 1957 .....	64, 000	73, 726.97
4½% due Mar. 1, 1958 .....	43, 000	50, 099.35
4½% due Apr. 1, 1958 .....	36, 000	41, 936.38
4½% due Apr. 1, 1959 .....	70, 000	76, 627.88
4½% due Sept. 15, 1959 .....	41, 000	48, 339.08
4½% due Oct. 1, 1959 .....	19, 000	22, 386.07
4½% due Oct. 15, 1959 .....	6, 000	6, 857.06
	1, 208, 000	1, 293, 092.17
Cash balance with Treasurer of the United States .....		391, 512.81
Total .....		1, 684, 604.98

*Foreign check control.*—In accordance with the provisions of Executive Order No. 8389 of April 10, 1940, as amended, and Public No. 828, approved October 9, 1940 (see annual report for 1941, p. 106), disbursing officers had withheld as of June 30, 1944, from delivery to payees residing in occupied territories 520,737 checks aggregating \$24,375,168.98, of which the proceeds of 414,019 checks aggregating \$17,221,111.41 were deposited in the special deposit account entitled, "Secretary of the Treasury, Proceeds Withheld Foreign Checks"; 10,857 checks aggregating \$836,033.10 were released to payees; and 3,550 checks aggregating \$194,975.20 were canceled on advice of administrative agencies which authorized the issue of such checks to the payees. On June 30, 1944, a balance of 92,311 checks aggregating \$6,123,049.27, the proceeds of which were subject to deposit in the special deposit account, were held by disbursing officers pending disposition.

Of the \$17,221,111.41 deposited in the special deposit account, \$104,065.40 has been paid to individual claimants; \$11,073.52 has been returned to the appropriations from which payments were made; and \$4,317,400.22 has been covered into the Treasury as miscellaneous receipts on account of the \$1,000 limitation on veterans' payments. On June 30, 1944, the proceeds of 332,165 checks aggregating \$12,788,572.27 remained in the special deposit account to the credit of approximately 19,211 individuals.

### *Section of Investments*

The Section of Investments supervises the collections of principal and interest on foreign obligations and on railroad obligations owned by the United States and held by the Treasury; collects on other obligations owned by the United States, which have been turned over to the Treasury by other departments for collection; handles matters relating to the investments and securities held in the custody of the Treasurer of the United States and the Federal Reserve Banks for which the Secretary is responsible, other than those related to public debt operations; and makes payments on awards under the Settlement of War Claims Act of 1928, under the claims agreement of October 25, 1934, between the United States and Turkey, and under the acts of April 10, 1935, and December 18, 1942, covering claims against the Republic of Mexico, payment of claims under the Settlement of Mexican Claims Act of 1942, and claims of American Nationals against Mexico—Expropriation of Petroleum Properties—agreement of November 19, 1941. In connection with these activities, accounts are kept and various related matters are handled by the Section.

### *Obligations of foreign governments*

Finland exercised its option to postpone payment of amounts aggregating \$845,287.24, payable during the period from June 15, 1941, through December 15, 1942, as provided under Public Resolution No. 110, approved June 12, 1941. The postponed amounts do not bear interest beyond the dates on which they were originally payable. Under date of October 14, 1943, an agreement was executed between the Minister of Finland and the Secretary of the Treasury under which the Republic of Finland would undertake to pay to the

United States the postponed amounts in twenty equal annuities of \$42,264.36 each, payable in United States dollars in equal semi-annual installments on June 15 and December 15 of each calendar year beginning January 1, 1945, and concluding with the calendar year beginning January 1, 1964. (See copy of agreement on page 514.)

The United States received during the year payments from the Government of Finland amounting to \$382,360.12 on account of its indebtedness, \$91,353.05 of which applied on principal due and \$291,007.07 on interest due.

The following statement shows the payments due from foreign governments during the periods July 1 through December 31, 1943, and January 1 through June 30, 1944.

*Amounts due and payable, July 1 through December 31, 1943, and January 1 through June 30, 1944*

Country	Funding agreements		Supplemental agreements	Total
	Principal	Interest		
July 1 through December 31, 1943				
Belgium.....		\$4, 158, 000.00		\$4, 158, 000.00
Czechoslovakia.....		2, 293, 742.91		2, 293, 742.91
Estonia.....	\$161, 000.00	286, 265.00		447, 265.00
Finland.....	84, 000.00	136, 220.00	\$13, 695.06	233, 915.06
France.....		38, 522, 864.99		38, 522, 864.99
Germany (Austrian indebtedness).....				
Great Britain.....	42, 000, 000.00	75, 950, 000.00		117, 950, 000.00
Greece.....	525, 000.00	217, 920.00		742, 920.00
Hungary.....	17, 370.00	33, 185.07		50, 555.07
Italy.....		2, 490, 875.00		2, 490, 875.00
Latvia.....	66, 400.00	119, 609.00		186, 009.00
Lithuania.....		107, 783.67		107, 783.67
Poland.....	1, 842, 000.00	3, 582, 810.00		5, 424, 810.00
Rumania.....		907, 559.81		907, 559.81
Yugoslavia.....		154, 062.50		154, 062.50
Total.....	44, 695, 770.00	128, 960, 897.95	13, 695.06	173, 670, 363.01
January 1 through June 30, 1944				
Belgium.....	\$5, 000, 000.00	\$4, 158, 000.00		\$9, 158, 000.00
Czechoslovakia.....	1, 296, 023.07	2, 293, 742.90		3, 589, 765.97
Estonia.....		286, 265.00		286, 265.00
Finland.....		134, 750.00	\$13, 695.06	148, 445.06
France.....	60, 097, 093.41	38, 522, 865.00		98, 619, 958.41
Germany (Austrian indebtedness) <sup>1</sup> .....	882, 626.31			882, 626.31
Great Britain.....		75, 950, 000.00		75, 950, 000.00
Greece.....	533, 000.00	217, 920.00		750, 920.00
Hungary.....		33, 185.09		33, 185.09
Italy.....	18, 300, 000.00	2, 490, 875.00		20, 790, 875.00
Latvia.....		119, 609.00		119, 609.00
Lithuania.....	58, 740.00	107, 783.69		166, 523.69
Poland.....		3, 582, 810.00		3, 582, 810.00
Rumania.....	494, 000.00	907, 559.81		1, 401, 559.81
Yugoslavia.....	648, 000.00	154, 062.50		802, 062.50
Total.....	87, 309, 482.79	128, 959, 427.99	13, 695.06	216, 282, 605.84

<sup>1</sup> The German Government has been notified that the Government of the United States will look to the German Government for the discharge of this indebtedness of the Government of Austria to the Government of the United States.

A statement showing the principal of the funded and unfunded indebtedness of foreign governments to the United States, the accrued and unpaid interest thereon, and payments on account of principal and interest as of November 15, 1944, appears as table 67 on page 734.

The total amounts previously due from foreign governments on

account of their indebtedness to the United States under the funding and moratorium agreements and not paid as of November 15, 1944, according to contract terms, are shown in the following statement.

*Total amounts due and not paid as of November 15, 1944*

Country	Funding agreements		Moratorium agreements annuities	Total
	Principal	Interest		
Belgium.....	\$55,800,000.00	\$89,094,000.00	\$9,689,077.60	\$154,583,077.60
Czechoslovakia.....	32,466,108.90	4,587,485.81	3,656,255.60	40,709,850.31
Estonia.....	1,614,000.01	6,829,465.00	731,705.80	9,175,170.81
France.....	667,238,263.83	616,365,839.98	60,937,594.40	1,344,541,698.21
Germany (Austrian indebtedness) <sup>1</sup> .....	4,563,370.31	-----	278,137.84	4,841,508.15
Great Britain.....	407,000,000.00	1,729,349,481.58	194,415,301.00	2,330,764,782.58
Greece.....	11,301,000.00	4,456,867.50	1,342,747.60	17,100,615.10
Hungary <sup>2</sup> .....	172,985.00	693,766.29	84,511.60	951,262.89
Italy.....	180,500,000.00	36,608,541.74	17,923,117.60	235,031,659.34
Latvia.....	656,500.00	2,735,476.85	305,485.20	3,697,462.05
Lithuania.....	586,445.00	2,415,841.08	273,665.20	3,275,951.28
Poland.....	18,975,000.00	85,475,610.00	9,124,594.20	113,575,204.20
Rumania <sup>3</sup> .....	13,509,560.43	9,075,598.10	975,001.60	23,560,160.13
Yugoslavia.....	5,551,000.00	1,463,593.78	-----	7,014,593.78
Total.....	1,399,934,233.48	2,589,151,567.71	299,737,195.24	4,288,822,996.43

<sup>1</sup> The German Government has been notified that the Government of the United States will look to the German Government for the discharge of this indebtedness of the Government of Austria to the Government of the United States.

<sup>2</sup> The Hungarian Government has deposited with the foreign creditors' account at the Hungarian National Bank an amount of Hungarian currency equivalent to the interest payments due from December 15, 1932, to June 15, 1937. The debt funding and moratorium agreements with Hungary provide for payment in dollars in the United States.

<sup>3</sup> Excludes the amount of \$100,000 which the Rumanian Government paid to the United States Treasury on June 15, 1940, as "a token of its good faith and of its real desire to reach a new agreement" covering Rumanian indebtedness to the United States.

*Receipts from Germany*

The status of the indebtedness of Germany to the United States as of June 30, 1944, under the debt funding agreement of June 23, 1930, covering the costs of the American Army of Occupation and the awards of the Mixed Claims Commission, United States and Germany, is summarized in the following tables.

*Amount of indebtedness of Germany to the United States, June 30, 1944*

Class	Indebtedness as funded	Total indebtedness, June 30, 1944	Principal	Interest accrued and unpaid
Army costs (reichsmarks).....	1,048,100,000	1,051,173,832.75	997,500,000	<sup>1</sup> 53,673,832.75
Mixed claims (reichsmarks).....	2,121,600,000	2,200,140,000.00	2,040,000,000	160,140,000.00
Total (reichsmarks).....	3,169,700,000	<sup>2</sup> 3,251,313,832.75	3,037,500,000	213,813,832.75
Total (in dollars, at 40.33 cents to the reichsmark).....	\$1,278,340,010	\$1,311,254,868.75	\$1,225,023,750	\$86,231,118.75

<sup>1</sup> Includes interest accrued under unpaid moratorium agreement annuities.

<sup>2</sup> Includes 4,027,611.95 reichsmarks deposited by the German Government in the Konversionskasse für Deutsche Auslandsschulden and not paid to the United States in dollars as required by the debt and moratorium agreements.

*Payments received from Germany through June 30, 1944*

Class	Total payments received to June 30, 1944	Payments of principal	Payments of interest
Army costs (reichsmarks).....	51,456,406.25	50,600,000.00	856,406.25
Mixed claims (reichsmarks).....	87,210,000.00	81,600,000.00	5,610,000.00
Total (reichsmarks).....	138,666,406.25	132,200,000.00	6,466,406.25
Total (in dollars).....	\$33,587,809.69	\$31,539,595.84	\$2,048,213.85

*Amounts not paid by Germany according to contract terms, June 30, 1944*

Date due	Funding agreement		Moratorium agreement	Total
	Principal	Interest		
Sept. 30, 1933..... reichsmarks.....		2,498,562.50	1,529,049.45	<sup>1</sup> 4,027,611.95
Mar. 31, 1934..... do.....	122,400,000		1,529,049.45	123,929,049.45
Sept. 30, 1934..... do.....	20,400,000	3,855,687.50	1,529,049.45	25,784,736.95
Mar. 31, 1935..... do.....	82,900,000	4,534,250.00	1,529,049.45	88,963,299.45
Sept. 30, 1935..... do.....	29,700,000	5,212,812.50	1,529,049.45	36,441,861.95
Mar. 31, 1936..... do.....	29,700,000	5,891,375.00	1,529,049.45	37,120,424.45
Sept. 30, 1936..... do.....	29,700,000	6,569,937.50	1,529,049.45	37,798,986.95
Mar. 31, 1937..... do.....	29,700,000	7,248,500.00	1,529,049.45	38,477,549.45
Sept. 30, 1937..... do.....	28,600,000	7,927,062.50	1,529,049.45	38,056,111.95
Mar. 31, 1938..... do.....	28,600,000	8,585,687.50	1,529,049.45	38,714,736.95
Sept. 30, 1938..... do.....	28,600,000	9,244,312.50	1,529,049.45	39,373,361.95
Mar. 31, 1939..... do.....	28,600,000	9,902,937.50	1,529,049.45	40,031,986.95
Sept. 30, 1939..... do.....	29,700,000	10,561,562.50	1,529,049.45	41,790,611.95
Mar. 31, 1940..... do.....	29,700,000	11,240,125.00	1,529,049.45	42,469,174.45
Sept. 30, 1940..... do.....	29,700,000	11,918,687.50	1,529,049.45	43,147,736.95
Mar. 31, 1941..... do.....	29,700,000	12,597,250.00	1,529,049.45	43,826,299.45
Sept. 30, 1941..... do.....	33,050,000	13,275,812.50	1,529,049.45	47,854,861.95
Mar. 31, 1942..... do.....	33,050,000	14,015,093.75	1,529,049.45	48,594,143.20
Sept. 30, 1942..... do.....	33,050,000	14,754,375.00	1,529,049.45	49,333,424.45
Mar. 31, 1943..... do.....	33,050,000	15,493,656.25	1,529,049.45	50,072,705.70
Sept. 30, 1943..... do.....	33,050,000	16,232,937.50		49,282,937.50
Mar. 31, 1944..... do.....	33,050,000	16,972,218.75		50,022,218.75
Total..... do.....	776,000,000	208,532,843.75	30,580,989.00	1,015,113,832.75
Total (in dollars, at 40.33 cents to the reichsmark).....	\$312,960,800	\$84,101,295.88	\$12,333,312.86	\$409,395,408.74

<sup>1</sup> Represents 4,027,611.95 reichsmarks deposited by the German Government in the Konversionskasse für Deutsche Auslandsschulden and not paid to the United States in dollars as required by the debt and moratorium agreements.

*Treasury administration of alien and mixed claims*

The Settlement of War Claims Act of 1928 (45 Stat. 254) authorized the Secretary of the Treasury to make payments on account of (1) awards of the Mixed Claims Commission, United States and Germany, for claims of American nationals against the Government of Germany, (2) awards of the War Claims Arbitrator for claims of German, Austrian, and Hungarian nationals against the Government of the United States, and (3) awards of the Tripartite Claims Commission for claims of American nationals against the Governments of Austria and Hungary. For a more detailed discussion of these awards and payments see pages 123 to 128 of the annual report for 1941.

*Mixed Claims Commission and Private Law No. 509: Claims against Germany.*—During the fiscal year 1944 an additional payment of \$6,905.38 was made on account of the Class 2 awards of the so-called sabotage claims against Germany. This award plus interest to January 1, 1928, amounts to \$3,850.68. This payment completed the sabotage payments. The Class 3 claimants received payments aggreg-

gating \$21,763,576.77, placing them on the same basis as the Class 3 claimants who received awards prior to October 31, 1939.

Total payments made on the additional sabotage awards through September 30, 1944, are as follows:

Class	Awards (plus interest to Jan. 1, 1928)	Payments		
		Awards (plus interest to Jan. 1, 1928)	Interest from Jan. 1, 1928, to date of payment	Total
1.....	\$72,501.37	\$72,501.37	\$47,394.01	<sup>1</sup> \$119,895.38
2.....	1,058,005.23	<sup>2</sup> 1,058,005.23	691,293.74	1,749,298.97
3.....	30,598,657.59	21,763,576.77		<sup>3</sup> 21,763,576.77
Total.....	31,729,164.19	22,894,083.37	738,687.75	23,632,771.12

<sup>1</sup> Payments completed prior to Sept. 30, 1941.

<sup>2</sup> One award (plus interest to Jan. 1, 1928), amounting to \$3,850.68, paid during the fiscal year.

<sup>3</sup> Payments completed during 1942.

After the Class 3 additional sabotage claims were satisfied by payment of the same percentage payments made on this class of awards certified for payment prior to October 31, 1939, they shared in the distributions of 5 percent and 4.4358855 percent authorized on March 19, 1941, and September 17, 1941, respectively, to be paid to all Class 3 claimants. No segregation of these payments has been made as the sabotage claimants and the claimants whose awards were certified prior to October 31, 1939, are receiving payments on an equal basis.

The payments to American and German nationals on account of the awards of the Mixed Claims Commission and the War Claims Arbiter are made out of the German special deposit account established under the provisions of section 4 of the Settlement of War Claims Act of 1928. The priorities established in the act and the status as of September 30, 1944, of such priorities up to the seventh priority are as follows:

Priority No.	On account of—	Nationals	Amount due Sept. 30, 1944
1.....	Administrative expenses.....		Held in reserve.
2.....	Class 1 awards.....	American.....	Completed.
3.....	Class 2 awards.....	do.....	\$42,830.84. <sup>1</sup>
4.....	Payment \$100,000 a/c Class 3 awards.....	do.....	Completed.
5.....	Payment of 80 percent of (2), (3), and (4), and interest to Jan. 1, 1928.	do.....	\$16,222.48. <sup>1</sup>
6.....	Tentative awards, War Claims Arbiter.....	German.....	Completed.
7.....	50 percent of ship and patent claims.....	do.....	Do.

Applications for payment of these amounts to claimants were not received or approved as of Mar. 11, 1940.

Up to September 30, 1944, the Treasury has made payments in the aggregate amount of \$163,624,321.52 on account of awards of the Mixed Claims Commission, from which there has been deducted \$818,122.09 representing one-half of 1 percent authorized by the Settlement of War Claims Act of 1928, making net payments to

claimants of \$162,806,199.43. Of the deductions, \$779,505.05 has been covered into the Treasury as miscellaneous receipts in accordance with the provisions of the act as reimbursement to the United States for expenses incurred. The balance of \$38,617.04 is payable to the German Government for defraying such expenses as may be incurred by that government for the adjudication of claims. On February 16, 1931, \$24,150.09 of this amount was paid to the German Government.

The following summary shows the number and amount of awards certified to the Treasury by the Secretary of State, the amount paid on account, and the balance due thereon as of September 30, 1944. Further details by classes of awards may be found in table 109, page 833.

*Mixed Claims Commission, United States and Germany—Number and amount of awards, amounts paid, and balance due, certified to the Secretary of the Treasury by the Secretary of State, as of September 30, 1944*<sup>1</sup>

Awards certified	Total number of awards	Total amount
1. Amount due on account: Principal of awards.....	7, 026	\$181, 698, 235.30
Less amounts paid by Alien Property Custodian and others.....		187, 226.85
Interest to Jan. 1, 1928, at rates specified in awards.....		181, 511, 008.45
Interest thereon to date of payment or, if unpaid Sept. 30, 1944, at 5 percent per annum as specified in the Settlement of War Claims Act of 1928.....		81, 465, 086.36
Total due claimants.....		112, 748, 819.62
2. Payment made on account to Sept. 30, 1944:		
Principal of awards.....	6, 671	\$ 152, 403, 920.71
Interest to Jan. 1, 1928, at rates specified in awards.....		8, 938, 824.97
Interest at 5 percent per annum from Jan. 1, 1928, to date of payment as directed by the Settlement of War Claims Act of 1928.....		2, 281, 575.84
Total payments to Sept. 30, 1944.....		163, 624, 321.52
Less one-half of 1 percent deduction from each payment.....		818, 122.09
Net payments made to claimants to Sept. 30, 1944.....		162, 806, 199.43
3. Balance due on account:		
Principal of awards.....	355	101, 625, 804.99
Interest to Jan. 1, 1928, at rates specified in awards.....		7, 544.14
Accrued interest at 5 percent per annum from Jan. 1, 1928, on total amount payable as of Jan. 1, 1928, to Sept. 30, 1944.....		110, 467, 243.78
Balance due claimants as of Sept. 30, 1944.....		212, 100, 502.91

<sup>1</sup> Includes payments on account of Private Law No. 509, approved July 19, 1940.

<sup>2</sup> Includes payments on account of interest to Jan. 1, 1928, on Class 3 awards and Private Law No. 509. Payments on this class of awards are first applied on account of the total amount payable as of Jan. 1, 1928 (which is treated as a principal payment for this purpose), as directed by the Settlement of War Claims Act of 1928 until total of all payments on the three classes equals 80 percent of the amount payable Jan. 1, 1928. Payment of accrued interest since Jan. 1, 1928, on this class of claims has been deferred in accordance with the act.

*War Claims Arbiter.*—Under the Settlement of War Claims Act of 1928, it was the duty of the War Claims Arbiter, within certain limitations, to hear the claims of German, Austrian, and Hungarian nationals and to determine the fair compensation to be paid by the United States for ships seized, patents sold or used by the United States, and a radio station sold to the United States.

*War Claims Arbiter: Claims of German nationals.*—The Treasury completed up to June 30, 1935, payment of 50 percent of the amount of all awards made by the War Claims Arbiter in favor of German nationals as required by paragraph 7 of section 4 (c) of the Settlement of War Claims Act of 1928. No payments were made on these awards subsequent to that date.

The following summary shows the number and amount of awards in favor of German nationals certified to the Treasury for payment, the payments made on account, and the balance due thereon as of September 30, 1944.

*War Claims Arbiter—Number of awards, amounts paid, and balance due on account of claims of German nationals for ships, patents, and a radio station as of September 30, 1944.*

Awards certified	Total (315 awards)	Ships (27 awards)	Patents and radio station (288 awards)
1. Amount due on account:			
Principal of awards including interest to Jan. 1, 1929.....	\$86, 738, 320. 83	\$74, 252, 933. 00	\$12, 485, 387. 83
Interest at 5 percent per annum from Jan. 1, 1929, on total amount payable as of Jan. 1, 1929, or on the principal amount remaining unpaid to Sept. 30, 1944.....	38, 837, 107. 75	33, 096, 965. 60	5, 740, 142. 15
Total due claimants.....	125, 575, 428. 58	107, 349, 898. 60	18, 225, 529. 98
Payments made on account to Sept. 30, 1944:			
Principal of awards.....	43, 368, 899. 24	37, 126, 205. 21	6, 242, 694. 03
Interest at 5 percent per annum from Jan. 1, 1929, on total amount payable as of Jan. 1, 1929, or on the principal amount remaining unpaid to Sept. 30, 1944.....			
Total payments to Sept. 30, 1944.....	43, 368, 899. 24	37, 126, 205. 21	6, 242, 694. 03
3. Balance due on account:			
Principal of awards.....	43, 369, 421. 59	37, 126, 727. 79	6, 242, 693. 80
Interest accrued at 5 percent per annum from Jan. 1, 1929, on total amount payable as of Jan. 1, 1929, or on the principal amount remaining unpaid to Sept. 30, 1944.....	38, 837, 107. 75	33, 096, 965. 60	5, 740, 142. 15
Balance due claimants.....	82, 206, 529. 34	70, 223, 693. 39	11, 982, 835. 95

<sup>1</sup> Includes awards amounting to \$522.58 to members of the former ruling family of Germany (sec. 3 (j), Settlement of War Claims Act of 1928, as amended).

*War Claims Arbiter: Claims of Hungarian nationals.*—The awards made by the Arbiter to Hungarian nationals in the sum of \$39,125 with interest at the rate of 5 percent per annum from July 2, 1921, to December 31, 1928, amounting to \$14,675 have been paid with the exception of one award amounting to \$137.51, together with interest thereon at the rate of 5 percent per annum from December 31, 1928. No payments were made during the year on these awards.

*German special deposit account.*—The following statement shows the total amounts deposited in the German special deposit account, the amounts paid therefrom up to September 30, 1944, and the balance held in the account.



*Funds deposited in the German special deposit account and payments made therefrom through September 30, 1944*

## RECEIPTS

From investments by Alien Property Custodian under Trading With the Enemy Act, as amended:		
Unallocated interest fund.....	\$25,000,000.00	
Less refunds.....	4,138,793.03	
	<hr/>	
20 percent German property retained.....	20,861,206.97	
Earnings on 20 percent German property retained.....	34,347,476.76	
	<hr/>	
	5,722,003.96	\$60,930,687.69
From Germany:		
2¼ percent of Dawes' annuities available for reparations (Paris agreement of Jan. 14, 1925).....	32,183,060.57	
Under German-American debt agreement, June 23, 1930.....	19,469,964.00	
Interest on payments postponed under terms of debt agreement dated June 23, 1930.....	1,743,738.70	
	<hr/>	
	53,396,763.57	
Appropriation for ships, patents, and radio station.....	86,738,320.83	
Expenses of administration, War Claims Arbitrer, on account of German nationals.....	113,624.20	
	<hr/>	
	86,851,945.03	
Deposits by Attorney General of the United States (Alien Property Bureau) under section 25 (d) of Trading With the Enemy Act, as amended:		
German Government.....	137,268.13	
German nationals.....	440,059.92	
	<hr/>	
	577,328.05	
Earnings and profits on investments by Secretary of the Treasury.....	5,632,094.28	
	<hr/>	
Total receipts.....		\$207,388,818.62

## PAYMENTS ON ACCOUNT

Awards of the Mixed Claims Commission:		
Under agreement of Aug. 10, 1922.....	154,957,135.69	
Under agreement of Dec. 31, 1928.....	7,684,835.94	
Private Law No. 509.....	164,227.80	
	<hr/>	
	162,806,199.43	
Awards of War Claims Arbitrer:		
For ships.....	37,126,205.21	
For patents and one radio station.....	6,242,694.03	
	<hr/>	
	43,368,899.24	
One-half of 1 percent deducted from Mixed Claims payments covered into Treasury.....		778,679.79
One-half of 1 percent deducted from Mixed Claims payments on account of awards entered under agreement of Dec. 31, 1928 (act of June 21, 1930), and paid to Germany (\$14,466.95 withheld but not paid).....		24,150.09
One-half of 1 percent deducted on account of Private Law No. 509 withheld and covered into the Treasury.....		825.26
Advances to special fund, expenses of administration of the Settlement of War Claims Act of 1928 (Office of the Secretary of the Treasury).....		64,175.00
Expenses of administration, War Claims Arbitrer account of German nationals.....		113,624.20
	<hr/>	
Total payments.....		207,156,553.01
Cash balance in German special deposit account.....		232,265.61

*Tripartite Claims Commission: Claims against Hungary.*—The awards entered by the Tripartite Claims Commission against Hungary, in favor of American nationals, amounted to \$199,975.57. During the fiscal year 1944 no payments were made on account of such awards. As of June 30, 1944, awards aggregating \$7,257.35 had not been paid because claimants had not filed applications as required by law.

*Claims of American nationals against Turkey*

The Special Claims Commission, United States and Turkey, established under the agreement of December 24, 1923 (see page 196 of the annual report for 1940 for further details of this agreement), made awards in 33 cases aggregating \$899,338.09, which were reduced by \$70,891.06 on account of expenses incurred by the United States, leaving net awards amounting to \$828,447.03 payable from funds

received from the Republic of Turkey. Under the provisions of the act of February 27, 1896 (29 Stat. 32), these awards were certified on August 19, 1937, by the Secretary of State to the Secretary of the Treasury for payment. During the fiscal year 1944 a pro rata payment was authorized to be made to the claimants by the Treasury from funds amounting to \$100,000 available for that purpose. The check covering the final payment of \$99,338.09 due June 20, 1944, was received on July 1, 1944, and is available for distribution to claimants.

*Statements of awards made by Special Claims Commission, United States and Turkey, as of June 30, 1944*

Amount awarded to claimants:	
Amount of claims .....	\$539,844.13
Interest allowed .....	359,493.96
Total .....	899,338.09
Less deductions on account of expenses incurred by the United States.....	70,891.06
Amount of awards .....	<u>\$828,447.03</u>
Amount received from Republic of Turkey through June 30, 1943 .....	800,000.00
Amount due from Republic of Turkey: Final installment due June 20, 1944, received by Treasury July 1, 1944.....	99,338.09
Total .....	899,338.09
Less reimbursement for expenses by the United States.....	70,891.06
Available for payment to claimants .....	828,447.03
Amount paid to claimants:	
Through June 30, 1943 .....	612,974.60
During fiscal year 1944 .....	92,208.67
Total .....	<u>705,183.27</u>
Balance due claimants for which vouchers have not been received.....	123,263.76

*Claims of American nationals against Mexico*

Under the convention between the United States and Mexico dated April 24, 1934, covering the settlement of the claims presented by the Government of the United States to the Commission established by the Special Claims Convention concluded September 10, 1923, the amount to be paid by the Government of Mexico to the Government of the United States was fixed at \$5,448,020.14. (See page 129 of the annual report for 1941 for further details.)

On June 20, 1938, the Secretary of State certified to the Secretary of the Treasury for payment a list of awards entered by the Special Mexican Claims Commission aggregating \$9,137,341.79, subsequently adjusted to \$9,140,541.89, which were subject to reduction on a percentage basis as provided in section 4 of the act approved April 10, 1935. The final awards as adjusted aggregated \$5,210,108.92. The expenses of the Commission were determined to be \$241,549.31, and this amount was transferred to miscellaneous receipts on December 4, 1940.

As of June 30, 1944, there had been received and made available for distribution to claimants the sum of \$4,954,552.19. Amounts aggregating 95.09 percent of the final awards of \$5,210,108.92 have been authorized to be distributed to the claimants.

*Statement of awards made by Special Mexican Claims Commission, United States and Mexico, as of June 30, 1944*

Amount of final awards to claimants after application of sec. 4 of the act approved Apr. 10, 1935.....		\$5, 210, 108. 92
Amount received from Government of Mexico:		
Through June 30, 1943, \$4,500,000 principal and \$186,621.30 interest.....	\$4, 686, 621. 30	
Jan. 6, 1944, \$500,000 principal and \$9,480.20 interest.....	509, 480. 20	
Total through June 30, 1944.....		5, 196, 101. 50
Less amount transferred to miscellaneous receipts to cover the expenses of the Commission.....		241, 549. 31
Available for payment to claimants.....		4, 954, 552. 19
Amount paid to claimants:		
Fiscal year 1939.....	2, 087, 193. 47	
Fiscal year 1940.....	678, 717. 90	
Fiscal year 1941.....	537, 124. 56	
Fiscal year 1942.....	516, 380. 29	
Fiscal year 1943.....	505, 672. 15	
Fiscal year 1944.....	484, 399. 06	
Total to June 30, 1944.....		4, 809, 487. 43
Balance due claimants:		
For which vouchers have not been received.....	144, 805. 15	
For subsequent distribution.....	259. 61	
		145, 064. 76

*Settlement of Mexican Claims Act of 1942*

Under the convention between the United States and Mexico dated November 19, 1941, the Government of the United Mexican States agreed to pay, and the Government of the United States agreed to accept, the sum of \$40,000,000 in United States currency as the balance due from the Government of the United Mexican States in full settlement, liquidation, and satisfaction of the following claims:

(a) All claims filed by the Governments of the United States and the United Mexican States with the General Claims Commission, established by the two countries pursuant to the convention signed September 8, 1923;

(b) All agrarian claims of nationals of the United States of America against the Government of the United Mexican States, which arose subsequent to August 30, 1927, and prior to October 7, 1940, including those referred to in the agreement effected by the exchange of notes signed by the Government of the United States and the Government of the United Mexican States on November 9 and 12, 1938, respectively; and

(c) All other claims of nationals of either country, which arose subsequent to January 1, 1927, and prior to October 7, 1940, and involving international responsibility of either Government toward the other Government as a consequence of damage to or loss or destruction of or wrongful interference with the property of the nationals of either country.

Under Article IV of the agreement it is provided that there is credited against the sum of \$40,000,000 the sum of \$3,000,000 representing the aggregate payments made, prior to the signing of the agreement, pursuant to the agreement in relation to agrarian claims, effected by the exchange of notes signed November 9 and 12, 1938. There shall also be credited the additional sum of \$3,000,000 which will be paid on the date of the exchange of ratification of the agreement signed November 19, 1941.

The balance of \$34,000,000 is to be paid in annual installments of \$2,500,000 beginning one year after the date of the signing of the agreement, until the complete liquidation of the debt. The Govern-

ment of the United Mexican States may, in its discretion, for the purpose of reducing the period for complete liquidation of the balance due, increase the amount of any of the annual installments, or pay any such installment or installments in advance.

The agreement was ratified by the Senate of the United States on January 29, 1942, signed by the President of the United States on February 10, 1942, and ratified by the Mexican Government on February 12, 1942; ratifications were exchanged at Washington on April 2, 1942, and the agreement was proclaimed by the President of the United States on April 9, 1942.

To provide for the settlement of the claims covered by the agreement of November 19, 1941, Congress passed the "Settlement of Mexican Claims Act of 1942," approved December 18, 1942. Under section 8 of this act there was created in the Treasury a special fund known as the Mexican claims fund. The Secretary of the Treasury is authorized and directed to cover into the fund (1) the sum of \$3,000,000 representing the total amount of payments heretofore made by the Government of Mexico under the agrarian claims agreement of 1938, (2) the sum of \$3,000,000 which was paid by the Government of Mexico upon exchange of ratifications of the agreement of November 19, 1941, (3) such other sums as are paid by the Government of Mexico pursuant to the agreement of November 19, 1941, and (4) the sum of \$533,658.95 representing the total amount of awards and appraisals, plus interest, made with respect to the claims on behalf of Mexican nationals against the Government of the United States which were filed with the General Claims Commission.

The amounts covered into the Mexican claims fund as of June 30, 1944, are as follows:

	<i>Amount</i>
Under the agrarian claims agreement of 1938.....	\$3,000,000.00
Paid on exchange of ratifications of the agreement.....	3,000,000.00
Annual installments due from Government of Mexico through November 1943.....	5,000,000.00
Appropriated by the Government of the United States covering amount of awards and appraisals made on behalf of Mexican nationals.....	533,658.95
Total.....	11,533,658.95

The Settlement of Mexican Claims Act of 1942 makes no provisions for payment to Mexican nationals out of the Mexican claims fund as the Government of Mexico agreed to pay its own nationals the amount of \$533,658.95 on account of awards or appraisals made on their behalf.

Under date of December 28, 1942, the Secretary of State certified to the Secretary of the Treasury for payment under section 6 (b) the awards and appraisals made in favor of American nationals and during the fiscal year the American Mexican Claims Commission certified for payment decisions made under the provisions of sections 4 (b) and 4 (c) of the act, as follows:

	<i>Amount</i>
Secretary of State:	
Decisions rendered by the General Claims Commission.....	\$201,461.08
Appraisals agreed upon by the Commissioners designated by Governments of the United States and Mexico, respectively, pursuant to the general claims protocol between the United States and Mexico signed April 24, 1934.....	2,599,166.10
Total.....	2,800,627.18
American Mexican Claims Commission:	
Decisions under the provisions of sections 4 (b) and 4 (c) of the act.....	24,536,085.51
Grand total.....	27,336,712.69

In accordance with the provisions of section 8 (c) of the Settlement of Mexican Claims Act of 1942 the Secretary of the Treasury authorized a distribution of 30 percent of the above awards and appraisals certified for payment.

The following statement shows the status of the Mexican claims fund as of June 30, 1944.

	<i>Amount</i>
<b>Credits:</b>	
Payments received from Government of Mexico under agreement of November 19, 1941.....	\$11,000,000.00
Appropriation made by Government of the United States on account of awards and appraisals made on behalf of Mexican nationals.....	533,658.95
<b>Total</b> .....	11,533,658.95
Amount paid to American claimants during the fiscal year 1943.....	\$637,036.24
Amount paid to American claimants during the fiscal year 1944.....	6,333,636.13
	6,970,672.37
<b>Balance in fund June 30, 1944</b> .....	4,562,986.58
<b>Assets—unexpended balances June 30, 1944:</b>	
To credit of disbursing officer.....	2,062,654.00
On books of Division of Bookkeeping and Warrants.....	2,500,332.58
<b>Total fund assets June 30, 1944</b> .....	4,562,986.58

The priorities established in the act and the status as of June 30, 1944, are as follows:

Priority No. 1—Section 8 (c) of act:

30 percent of awards and appraisals certified pursuant to sections 4 (b), 4 (c), and 6 (b) of act:	<i>Amount</i>
Certified as of June 30, 1944, \$27,336,712.69.....	\$8,201,013.81
Certified subsequent to June 30, 1944, \$1,170,959.82.....	351,287.95
<b>Total required to pay Priority No. 1</b> .....	8,552,301.76
<b>Less payments through June 30, 1944</b> .....	6,970,672.37
<b>Balance payable on Priority No. 1</b> .....	1,581,629.39

Priority No. 2—Section 8 (d) of act:

Amount available as of June 30, 1944, for payment on awards which American Mexican Claims Commission may certify pursuant to section 5 (d) of act.....	2,981,357.19
<b>Unexpended balance June 30, 1944</b> .....	4,562,986.58

*Claims of American nationals against Mexico—Expropriation of petroleum properties*

Under date of November 19, 1941, the Governments of the United States and Mexico entered into an agreement making provision for determining the amount due to the American companies and interests whose properties and rights had been affected to their detriment by acts of the Mexican Government through acts of expropriation or otherwise on March 18, 1938, and subsequent thereto excepting those which had already made separate arrangements with the Mexican Government. Under this agreement the two Governments each appointed an expert whose duty it was to determine the just compensation to be paid the American owners for their properties and rights and interests. The compensation found to be due to the affected United States nationals was to be completed within a period of not more than 7 years. A deposit of \$9,000,000 was made and held in a suspense account to be applied on account of the compensation determined to be due.

In accordance with the joint report submitted by the experts designated by the respective Governments, the Government of Mexico entered into a further agreement under which it agreed to pay to the Government of the United States the sum of \$23,995,991,

United States currency, plus interest at 3 percent from March 18, 1938. The total amount due as of September 30, 1943, was as follows:

Principal.....	\$23,995,991.00
Interest at 3 percent from Mar. 18, 1938, through Sept. 30, 1943.....	3,985,964.20
	27,981,955.20
Less deposit dated Feb. 10, 1942.....	9,000,000.00
Balance due Sept. 30, 1943.....	18,981,955.20

The application to principal and interest of the payments made through September 30, 1943, and of the payments to be made thereafter is shown in the following table.

Date	Amount paid	Applied on		Balance of principal
		Interest	Principal	
				\$23,995,991.00
Feb. 10, 1942.....	\$9,000,000.00			
Sept. 30, 1943.....	3,796,391.04			
	12,796,391.04	\$3,985,964.20	\$8,810,426.84	15,185,564.16
Sept. 30, 1944.....	4,085,327.45	455,566.92	3,629,760.53	11,555,803.63
Sept. 30, 1945.....	4,085,327.45	346,674.10	3,738,653.35	7,817,150.28
Sept. 30, 1946.....	4,085,327.45	234,514.50	3,850,812.95	3,966,337.33
Sept. 30, 1947.....	4,085,327.45	118,990.12	3,966,337.33	
Total.....	29,137,700.84	5,141,709.84	23,995,991.00	

Under the provisions of the act of February 27, 1896 (29 Stat. 32), the Secretary of State has certified to the Secretary of the Treasury for payment the claims of eleven companies aggregating \$23,104,731. The claims of two companies aggregating \$891,260 have not yet been certified for payment.

The status of the account of the Mexican Government as of June 30, 1944, was as follows:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
Amount payable.....	\$23,995,991.00	\$5,141,709.84	\$29,137,700.84
Less amount paid to June 30, 1944.....	8,810,426.84	3,985,964.20	12,796,391.04
Balance due.....	15,185,564.16	1,155,745.64	16,341,319.80

The following statement shows the amounts paid to the claimants as of June 30, 1944:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
Amount received from Government of Mexico.....	\$8,810,426.84	\$3,985,964.20	\$12,796,391.04
Amount paid claimants.....	8,483,189.64	3,837,917.37	12,321,107.01
Balance due claimants.....	327,237.20	148,046.83	475,284.03

#### *Railroad obligations*

Total receipts during the fiscal year on account of realization on railroad securities acquired under section 210 of the Transportation Act, 1920, as amended, were \$1,334,091.68.

The following statement shows the total amount of railroad obligations, by classes, originally held by the United States Government (exclusive of certain miscellaneous obligations acquired by the Director General of Railroads), the amount held on June 30, 1944, and payments received on account.

*Summary of railroad obligations held by the Government as of June 30, 1944, by classes*

Class	Principal amount originally held	Principal amount held June 30, 1944	Total payments received	
			Principal	Interest
Transportation Act:				
Sec. 207.....	\$282,712,837.36	\$5,007,000.00	<sup>1</sup> \$277,695,167.90	\$54,373,134.70
Sec. 210.....	290,800,667.00	<sup>2</sup> 23,690,977.23	<sup>3</sup> 266,599,186.68	93,829,939.96
Federal Control Act:				
Equipment trust notes.....	346,556,750.00	-----	346,556,750.00	45,338,918.25
Sec. 7.....	98,401,755.00	-----	98,401,755.00	23,100,562.27
Sec. 12.....	62,103,453.28	-----	62,103,453.28	4,248,171.96
Total.....	1,080,575,462.64	28,697,977.23	1,051,356,312.86	220,890,727.14

<sup>1</sup> Stock of the Kansas, Oklahoma & Gulf Ry. Co. in the face amount of \$212,500 was sold on the market for \$201,830.54, resulting in a difference of \$10,669.46 between the receipts and the principal originally held.

<sup>2</sup> Includes loans aggregating \$4,485,600 to four carriers, the assets of which have been completely liquidated and were insufficient to meet such claims.

<sup>3</sup> Notes of Wichita Northwestern Ry. Co., Virginia Blue Ridge Ry., and Wilmington, Brunswick & Southern R. R. Co. were sold pursuant to the provisions of act of Aug. 13, 1940, for \$67,246.91, resulting in a difference of \$510,503.09 between the receipts and the principal originally held.

*Section 204, Transportation Act, 1920, as amended.*—On January 7, 1941, section 204 was amended by Public No. 893, to permit the reopening by certain short-line rail carriers of claims against the United States before the Interstate Commerce Commission. Under the act the Commission is authorized to ascertain and certify to the Secretary of the Treasury the amounts payable to carriers under this section as amended. The act provides that no claim certified shall be for an amount in excess of \$150,000. No payments were made during the fiscal year as no appropriation was available for payment of any amounts certified for payment. Since June 30, 1944, one claim has been received amounting to \$21,296.92, for which there is no appropriation.

Under section 204 (g) of the Transportation Act, 1920 (approved February 28, 1920), an indefinite appropriation was made to pay claims of this character. The amount previously paid under section 204 was \$10,967,801.80, as reported in the Secretary's annual report for the fiscal year 1937, page 83. The Permanent Appropriation Repeal Act of 1934 repealed the indefinite appropriation made for the payment of this class of claims. However, a specific appropriation of \$800,000, available for the fiscal year 1942, was made in the Second Deficiency Appropriation Act, 1941, approved July 3, 1941 (Public Law 150). The Interstate Commerce Commission certified to the Secretary of the Treasury for payment claims aggregating \$184,602.58, of which claims aggregating \$167,529.85 were paid during the fiscal year 1942. Claims certified to the Secretary of the Treasury during the fiscal year 1943 aggregating \$22,139.11 and one claim amounting to \$17,072.73 which was outstanding in the fiscal year 1942 were paid during the fiscal year 1943. In the Treasury and Post Office Departments Appropriation Act, 1943, approved March 10, 1942 (Public Law 495), \$600,000 of the unexpended balance was made available until June 30, 1943. The total payments under this section aggregated \$11,174,543.49 as of the end of the fiscal year.

*Section 207, Transportation Act, 1920, as amended.*—The following statement shows the amount of obligations of carriers acquired under section 207 and held on June 30, 1944.

*Obligations acquired under the provisions of section 207 of the Transportation Act, 1920, and held as of June 30, 1944*

Carrier	Principal amount of promissory note or of directly held security	Collateral, face amount	Class of collateral or of directly held security	Principal in default	Interest in default
Chicago, Milwaukee, St. Paul & Pacific R. R. Co.	\$3, 207, 000	( <sup>1</sup> )	5% noncumulative preferred stock of carrier.	-----	-----
Minneapolis & St. Louis R. R. Co.	1, 250, 000	\$1, 500, 000	Refunding and extension mortgage, 5% bonds of carrier.	\$1, 250, 000	\$1, 350, 000. 00
Washington, Brandywine & Point Lookout R. R. Co.	50, 000	75, 000	First mortgage, 6% bonds of carrier.	<sup>2</sup> 50, 000	<sup>2</sup> 28, 408. 98
Waterloo, Cedar Falls & Northern Ry. Co.	500, 000	625, 000	Temporary general mortgage, 7% bonds of carrier.	500, 000	604, 931. 50
Total.....	5, 007, 000	-----	-----	1, 800, 000	1, 983, 340. 48

<sup>1</sup> Securities directly held.

<sup>2</sup> Pursuant to Private Law 162, approved Dec. 17, 1943, the Secretary of the Treasury is authorized and directed to accept the sum of \$50,000 in full settlement and discharge of the indebtedness, including interest.

*Section 210, Transportation Act, 1920, as amended.*—This section established a revolving fund of \$300,000,000 to be used for loans to railroads under the conditions set forth in a certificate of the Interstate Commerce Commission authorizing each loan, and also for paying judgments, decrees, and awards rendered against the Director General of Railroads. No new loans are being made as the time for making application has expired. No expenditures under this section were made during the fiscal year. The net expenditures on this account amounted to \$33,640,740.24 to June 30, 1944.

Total loans (including renewal loans and repayments thereof aggregating \$59,800,000) to June 30, 1944, amounted to \$350,600,667; repayments amounted to \$326,399,186.68, and losses on sales under the act of August 13, 1940, aggregating \$510,503.09 reduced the loans outstanding as of that date to \$23,690,977.23.

The following statement shows the amount of obligations held on June 30, 1944, on account of loans to carriers under section 210, and the amount of principal and interest in default.

*Obligations held on June 30, 1944, on account of loans to carriers under section 210 of the Transportation Act, 1920, as amended, and the amount of principal and interest in default*

Carrier	Loans outstanding	Principal in default	Interest in default
Alabama, Tennessee & Northern R. R. Corporation.....	\$151, 500. 00	\$151, 500. 00	\$95, 445. 00
Des Moines & Central Iowa R. R. Co. (formerly the Inter-Urban Ry. Co.).....	633, 500. 00	633, 500. 00	596, 661. 34
Fort Dodge, Des Moines & Southern R. R. Co.....	200, 000. 00	200, 000. 00	-----
Gainesville & Northwestern R. R. Co.....	<sup>1</sup> 75, 000. 00	-----	-----
Georgia & Florida Ry. (receiver).....	792, 000. 00	792, 000. 00	689, 040. 00
Minneapolis & St. Louis R. R. Co.....	1, 382, 000. 00	1, 382, 000. 00	-----
Missouri & North Arkansas Ry. Co.....	<sup>1</sup> 3, 500, 000. 00	-----	-----
Salt Lake & Utah R. R. Co.....	<sup>1</sup> 872, 600. 00	-----	-----
Seaboard Air Line Ry. Co.....	14, 438, 827. 01	14, 438, 827. 01	9, 427, 003. 45
Seaboard-Bay Line Co.....	347, 550. 22	347, 550. 22	-----
Virginia Southern R. R. Co.....	<sup>1</sup> 38, 000. 00	-----	-----
Waterloo, Cedar Falls & Northern Ry. Co.....	1, 260, 000. 00	1, 260, 000. 00	1, 648, 455. 71
Total.....	23, 690, 977. 23	19, 205, 377. 23	12, 456, 605. 50

<sup>1</sup> Assets of these carriers have been completely liquidated, and were insufficient to meet these claims.



*Federal control of railroads*

*Administration.*—The Treasury continued during the fiscal year 1944 the liquidation of matters growing out of the control of the American transportation system, which was exercised through the United States Railroad Administration during the period from December 28, 1917, to February 29, 1920.

*Finances.*—Total receipts on account of the Federal control of railroads for the fiscal year 1944 were \$13,188.30, and expenditures were \$7,970.40, resulting in net receipts of \$5,217.90, as compared with net receipts of \$753.82 for 1943.

At the close of business on June 30, 1944, the cash and appropriation balance aggregated \$41,349.70 as compared with \$36,131.80 at the close of 1943.

A statement of receipts and expenditures follows.

*Receipts and expenditures in connection with Federal control of railroads, fiscal years 1943 and 1944*

	1943	1944
<b>Balances at beginning of year:</b>		
Secretary of the Treasury, special deposit account...	\$30,236.44	\$30,986.10
Unrequisitioned appropriation balances:		
Federal control of transportation systems.....	385,141.54	5,145.70
<b>Total balances</b> .....	<b>\$415,377.98</b>	<b>\$36,131.80</b>
<b>Receipts:</b>		
Collections of interest on obligations of carriers.....		12,795.00
Victory tax withheld from Federal employees, Treasury Department.....	38.48	3.20
Federal tax withheld from salaries of Federal employees, Treasury Department.....		38.00
Collection of miscellaneous claims referred to Washington from field, including transportation charges, undercharges, etc.....	3,790.31	352.10
<b>Total receipts</b> .....	<b>3,828.79</b>	<b>13,188.30</b>
<b>Total balances and receipts</b> .....	<b>419,206.77</b>	<b>49,320.10</b>
<b>Expenditures:</b>		
Employees' compensation liability awards.....	786.42	784.27
Deposit with the Workmen's Compensation Board of Ontario, account of compensation liability.....		5,117.84
Claims for unpaid wages, back-pay awards, and Liberty bond subscription refunds.....	212.55	33.50
Payments to collector of internal revenue of Victory tax withheld from Federal employees, Treasury Department.....	19.28	22.40
Payments to collector of internal revenue of Federal tax withheld from salaries of Federal employees, Treasury Department.....		32.30
Administrative expenses (pay rolls).....	2,056.72	1,980.09
<b>Total expenditures</b> .....	<b>3,074.97</b>	<b>7,970.40</b>
Transfers from appropriation account to surplus fund.....	380,000.00	
<b>Balances at end of year:</b>		
Secretary of the Treasury, special deposit account...	30,986.10	23,409.00
Federal control of transportation systems.....	5,145.70	17,940.70
<b>Total balances</b> .....	<b>36,131.80</b>	<b>41,349.70</b>
<b>Total expenditures and balances</b> .....	<b>419,206.77</b>	<b>49,320.10</b>

*Securities, etc.*—No collections were made since November 24, 1936, on account of the obligations of carriers acquired under section 207 of the Transportation Act, 1920, as amended, which are listed on page 174.

*Claims.*—The principal claims presented during the period were on account of refunds of installments paid on subscriptions for Liberty Loan bonds by employees of carriers during Federal control. Total

payments on account of allowed claims of this character amounted to \$33.50 during the year.

*Compensation payments—United States railroad employees.*—Expenditures on account of the compensation award of a railroad employee residing in the United States amounted to \$784.27 during the year.

*Canadian Workmen's Compensation Board.*—The Canadian Workmen's Compensation Board, located at Toronto, Canada, has jurisdiction over certain cases of disability resulting from accidents during the period of Federal control on those railroads having lines extending into Canada. Payments under Canadian compensation awards, made from funds so deposited with the Board, amounted to \$2,605.00 during the calendar year 1943. Interest amounting to \$1,360.36 was added to the fund, leaving a balance of \$28,928.87 to cover awards as of December 31, 1943. The figures showing the balance as of June 30, 1944, are not available inasmuch as the Board's reports are on a calendar year basis. However, the status of the fund (in Canadian dollars) as of December 31, 1943, was as follows:

Balance Dec. 31, 1942.....	\$27,319.70
Payments from Treasury.....	2,853.81
Interest Jan. 1, 1943, through Dec. 31, 1943.....	1,360.36
Total.....	31,533.87
Payments of awards by Board during 1943.....	2,605.00
Balance Dec. 31, 1943.....	28,928.87

*Tax refunds and other collections.*—Under the terms of the Federal Control Act and the standard contract with the carriers, the Director General paid 2 percent of all Federal income taxes assessed against carriers formerly under Federal control. Subsequently, the United States Board of Tax Appeals held that such taxes should not have been assessed against either the carriers or the Director General. No adjustments of these claims were made during the fiscal year. Further claims for such paid taxes amounting to \$438,770.84 are still pending before the Board of Tax Appeals (now The Tax Court of the United States).

All unpaid judgments which have not expired by reason of the statute of limitations, and other claims are being reviewed from time to time to determine whether any amounts can be collected thereon. Collections from this source amounted to \$49 during 1943 and \$100 during 1944.

#### *Federal Farm Mortgage Corporation*

Under section 32 of the Emergency Farm Mortgage Act of 1933, approved May 12, 1933 (49 Stat. 43), as amended, the Secretary of the Treasury is authorized to pay to the Federal Farm Mortgage Corporation such amount as the Governor of the Farm Credit Administration certifies to the Secretary of the Treasury is equal to the amount by which interest payments on mortgages held by such Corporation have been reduced. Public Law 629, approved June 27, 1942 (56 Stat. 391), extended to June 30, 1944, the period for which payments are to be made to the Federal Farm Mortgage Corporation on account of reductions in interest, and made this provision applicable to interest on purchase-money mortgages and on real estate sales contracts taken by the Federal Farm Mortgage Corporation which is payable on installment dates on or after July 1, 1942, and prior to July 1, 1944.

A statement of the amounts appropriated and payments to the Federal Farm Mortgage Corporation follows.

*Appropriations on account of reductions in interest rate on mortgages, and payments to the Federal Farm Mortgage Corporation for this purpose, fiscal years 1933 through 1944*

Amounts appropriated:		
Through June 30, 1943.....		\$51,725,000.00
Treasury Department Appropriation Act, 1944, approved June 30, 1943.....		7,400,000.00
Total through June 30, 1944.....		59,125,000.00
Payments to Federal Farm Mortgage Corporation: <sup>1</sup>		
Through June 30, 1943.....	\$48,433,786.26	
Fiscal year 1944.....	7,215,126.54	
Total through June 30, 1944.....	55,648,912.80	
Transfers from appropriation account to surplus fund.....	1,142,888.06	
		56,791,800.86
Unexpended appropriations, June 30, 1944.....		2,333,199.14

<sup>1</sup> On basis of daily Treasury statements.

#### *Federal land banks*

*Capital stock.*—Under the act of January 23, 1932 (47 U. S. C. 698), amending the Federal Farm Loan Act, it is the duty of the Secretary of the Treasury on behalf of the United States, upon the request of the board of directors of any Federal land bank made with the approval of the Farm Credit Administration, to subscribe from time to time for capital stock of such bank. The act further provides that such stock may at any time, in the discretion of the directors and with the approval of the Farm Credit Administration, be paid off at par and retired in whole or in part and that the Farm Credit Administration may at any time require such stock to be paid off at par and retired in whole or in part if, in its opinion, the bank has resources available for such purpose. The proceeds of all repayments on account of stock subscribed for by the Secretary of the Treasury are held in the Treasury and are available for the purpose of paying for other stock thereafter issued pursuant to said act.

To enable the Secretary of the Treasury to pay for said stock, \$125,000,000 was appropriated under the act approved February 2, 1932. During the year no stock was subscribed for by the Secretary. The following statement shows the shares that were repaid during the year and the amount held by the Secretary on June 30, 1944.

*Subscriptions to stock of Federal land banks held by the Secretary of the Treasury and repayments thereon during the fiscal year 1944*

[Par value of shares]

Federal land bank	Shares held June 30, 1943	Shares repaid fiscal year 1944 <sup>1</sup>	Shares held June 30, 1944 <sup>2</sup>
Baltimore.....	\$1,637,380	\$23,900.00	\$1,613,480.00
Columbia.....	1,487,355	34,125.00	1,453,230.00
St. Paul.....	115,176,055	42,555.00	115,133,500.00
Wichita.....	1,085,095	53,110.00	1,031,985.00
Omaha.....	1,038,856	139,585.00	898,271.00
Spokane.....	1,054,150	1,054,150.00	
Total.....	121,478,885	1,317,325.00	120,161,560.00

<sup>1</sup> On basis of daily Treasury statements.

<sup>2</sup> The Federal land banks of Springfield, Louisville, New Orleans, St. Louis, Houston, Spokane, and Berkeley had no outstanding capital stock held by the Secretary of the Treasury as of June 30, 1944.

*Payments on account of reductions in interest rates on mortgages and subscriptions to paid-in surplus.*—The Secretary of the Treasury is directed, under certain conditions, to make payments to Federal land banks equal to the amount by which interest payments on mortgages held by such banks have been reduced pursuant to the Federal Farm Loan Act, as amended, and he also subscribes, under specified conditions and in the manner prescribed by the Federal Farm Loan Act, as amended, to the paid-in surplus of each Federal land bank an amount equal to the amount of all extensions and deferments of any obligation that may be or may become unpaid under the terms of any mortgage.

Amendments to the law under which subscriptions are made to the paid-in surplus of the Federal land banks are contained in the Farm Credit Act of 1937, approved August 19, 1937. The period for which payments to Federal land banks on account of reductions in interest rates may be made was extended to June 30, 1944, pursuant to Public Law 629, approved June 27, 1942 (56 Stat. 391). This law also made the provisions relating to the reduction of interest applicable to interest on real estate sales contracts taken by Federal land banks which is payable on installment dates after June 30, 1942.

A statement as of June 30, 1944, of the amounts appropriated on account of reductions in interest rates on mortgages and of payments to Federal land banks for this purpose is here set forth.

*Appropriations on account of reductions in interest rates on mortgages and payments to Federal land banks for this purpose through June 30, 1944*

1. Amounts appropriated:	
Through June 30, 1943.....	\$260,867,000.00
Treasury Department Appropriation Act, 1943, approved June 30, 1943.....	21,800,000.00
Total through June 30, 1944.....	282,667,000.00
2. Payments to Federal land banks:	

Federal land bank	Amount paid through June 30, 1943	Amount paid fiscal year 1944 <sup>1</sup>	Amount paid through June 30, 1944
Springfield.....	\$9,280,322.53	\$852,440.50	\$10,141,763.03
Baltimore.....	10,957,728.69	889,861.91	11,847,590.60
Columbia.....	10,318,870.11	800,425.95	11,119,296.06
Louisville.....	25,108,031.86	1,846,867.73	27,055,499.59
New Orleans.....	13,183,052.39	975,809.24	14,159,861.63
St. Louis.....	22,284,582.63	1,809,583.30	24,094,165.93
St. Paul.....	36,454,974.25	3,492,341.45	39,947,315.70
Wichita.....	20,367,547.32	1,652,416.47	22,019,963.79
Houston.....	28,623,115.54	2,315,936.23	30,939,051.77
Berkeley.....	14,974,273.74	1,258,892.17	16,233,165.91
Omaha.....	44,476,826.01	4,089,802.68	48,566,628.69
Spokane.....	15,504,031.41	1,250,999.20	16,755,030.61
Total.....	251,642,956.48	21,236,376.83	272,879,333.31

3. Transfers from appropriation account to surplus fund.....	\$3,016,755.22
4. Unexpended appropriations, June 30, 1944.....	6,770,911.47

<sup>1</sup> On basis of daily Treasury statements.

Appropriations for subscriptions to paid-in surplus to June 30, 1937, amounted to \$189,000,000. No appropriation for this purpose has been made since that date. A statement as of June 30, 1944, of the amounts appropriated for subscriptions to the paid-in surplus of Federal land banks on account of extensions and deferments, and net repayments by the Federal land banks follows.

*Appropriations for subscriptions to the paid-in surplus of Federal land banks on account of extensions and deferments, and payments for this purpose to June 30, 1944*

1. Amounts appropriated through June 30, 1944 ..... \$189,000,000.00  
 2. Payments to Federal land banks:

Federal land bank	Amount paid through June 30, 1943	Net amount paid fiscal year 1944 <sup>1</sup>	Amount paid through June 30, 1944
Springfield.....	\$7,317,138.66		\$7,317,138.66
Baltimore.....	4,190,251.29		4,190,251.29
Columbia.....	9,136,953.42		9,136,953.42
New Orleans.....	8,175,585.41	<sup>2</sup> \$2,224,585.41	5,951,000.00
St. Louis.....	10,813,256.57		10,813,256.57
St. Paul.....	36,220,901.15	703,507.24	36,924,408.39
Wichita.....	16,850,213.90		16,850,213.90
Berkeley.....	3,950,945.55		3,950,945.55
Omaha.....	30,740,238.50		30,740,238.50
Spokane.....	14,222,384.78	<sup>2</sup> 5,000,000.00	9,222,384.78
Total.....	141,617,869.23	<sup>2</sup> 6,521,078.17	135,096,791.06

3. Unexpended appropriations, June 30, 1944..... \$53,903,208.94

<sup>1</sup> On basis of daily Treasury statements.

<sup>2</sup> Excess of repayments (deduct).

#### *Federal savings and loan associations*

Under the act of June 13, 1933 (48 Stat. 133), as amended April 27, 1934 (48 Stat. 645), the Secretary of the Treasury was authorized on behalf of the United States to subscribe for preferred shares and full-paid income shares in Federal savings and loan associations upon request of the Federal Home Loan Bank Board. An appropriation of \$50,000,000 to enable the Secretary of the Treasury to purchase such shares was reduced by an allocation of \$700,000 to the Federal Home Loan Bank Board. The details concerning the provisions of law under which these subscriptions were made and the appropriations are contained in the annual report for 1940, pages 176 and 177.

The Home Owners' Loan Corporation also was authorized to purchase full-paid income shares of Federal savings and loan associations after the funds available to the Secretary of the Treasury for the purchase of such shares had been exhausted. The funds available to the Secretary of the Treasury were exhausted on October 25, 1935.

During the fiscal year 1944 the sum of \$6,757,200 was received on account of shares repaid, making the total shares repaid to June 30, 1944, \$44,573,200.

The following statement shows the transactions in connection with the subscriptions by the Secretary of the Treasury to preferred and full-paid income shares in these associations during the fiscal year 1944.

*Preferred and full-paid income shares of Federal savings and loan associations subscribed by the Secretary of the Treasury through June 30, 1944, and dividends received*

[Par value of shares]

	Preferred shares	Full-paid income shares	Total
Total shares subscribed and paid.....	\$637, 800	\$48, 662, 200	\$49, 300, 000. 00
Shares held on June 30, 1943 .....		11, 484, 000	11, 484, 000. 00
Less shares repaid during 1944 .....		6, 757, 200	6, 757, 200. 00
Shares held on June 30, 1944 .....		4, 726, 800	4, 726, 800. 00
Dividends received on preferred and full-paid income shares:			
Through June 30, 1943 .....			10, 121, 257. 47
During 1944 .....			234, 512. 98
Through June 30, 1944 .....			10, 355, 770. 45

*Undelivered war savings bonds and cash received from war contractors*

In connection with the operation of the payroll savings system for the purchase of war savings bonds by employees of private contractors performing work for the Government under cost-plus-a-fixed-fee contracts, arrangements have been made for the safekeeping by the Treasury Department of undelivered bonds and unclaimed payroll deductions. These bonds and funds, which belong to persons whose whereabouts are unknown, are received by the Treasury through the various departments and establishments having jurisdiction over the contracts. The bonds and funds are held subject to reclaim by employees upon proper identification. These arrangements have been made with the War Department, Navy Department, United States Maritime Commission, Defense Plant Corporation, and the Federal Public Housing Authority. The unclaimed bonds and funds received and returned as of June 30, 1944, are set forth in the table following.

	Cash		Bonds	
	Number	Amount	Number	Amount
Received.....	14, 064	\$56, 288. 84	966	\$28, 402. 00
Returned.....	407	4, 741. 33	86	2, 200. 35
Balance .....	13, 657	51, 547. 51	880	26, 201. 65

*Trust and special funds invested by the Treasury Department*

Under various provisions of law creating trust and special funds, the Secretary of the Treasury or the Treasurer of the United States is authorized to invest such portions of the funds as are not required to meet current withdrawals. The following statement shows the amount of Government and other securities held in these funds at the close of the fiscal year. Further details on each of these funds are shown in the tables beginning on page 736.

*Securities held as investments in trust and special funds, at par value, June 30, 1944*

[In thousands of dollars]

Fund	Government securities	Other securities	Total
Adjusted service certificate fund.....	16, 890		16, 890
Ainsworth Library fund, Walter Reed General Hospital.....	10		10
Alaska Railroad retirement and disability fund.....	1, 755		1, 755
Canal Zone retirement and disability fund.....	9, 187		9, 187
Civil service retirement and disability fund.....	1, 450, 913		1, 450, 913
District of Columbia teachers' retirement fund.....	10, 480	253	10, 733
District of Columbia water fund.....	1, 773		1, 773
District of Columbia workmen's compensation fund.....	44		44
Federal old-age and survivors insurance trust fund.....	5, 408, 834		5, 408, 834
Foreign service retirement and disability fund.....	7, 012		7, 012
Library of Congress trust fund.....		180	180
Longshoremen's and harbor workers' compensation fund.....	254		254
National Institute of Health gift fund.....	79		79
National park trust fund.....	18		18
National service life insurance fund.....	1, 213, 425		1, 213, 425
Pershing Hall Memorial fund.....	191		191
Railroad retirement account.....	318, 500		318, 500
Unemployment trust fund.....	5, 870, 000		5, 870, 000
U. S. Government life insurance fund.....	1, 054, 093	13, 880	1, 067, 973
U. S. Naval Academy general gift fund.....	85		85
Total.....	15, 363, 543	14, 313	15, 377, 856

### BUREAU OF THE PUBLIC DEBT

The Bureau of the Public Debt, under the Commissioner of the Public Debt, is a branch of the Fiscal Service of the Treasury Department. The Bureau is charged with the conduct of transactions in the public debt issues of the United States. As agent, the Bureau also conducts transactions in the interest-bearing issues of the insular governments and of Government corporations and credit agencies. The Bureau is also charged with the procurement of distinctive paper for the currency and public debt issues, with the verification of United States currency redeemed by the Treasurer of the United States and of imperfect securities delivered by the Bureau of Engraving and Printing, and with the destruction of redeemed currency and other securities authorized to be destroyed.

Two offices are maintained—one in Washington, the other in Chicago. The Washington Office is charged with all functions assigned to the Bureau except those relating to savings bonds after their issue, which functions are assigned to the Chicago Office.

#### *Washington Office*

The Washington Office of the Bureau comprises five major offices. A summary of their duties and activities during 1944 follows.

#### *Office of the Commissioner*

The Office of the Commissioner exercises general control over the activities of the Bureau, both in Washington and Chicago. When a new issue of public debt securities is to be offered, the Office prepares the necessary documents incident to the offering and directs the handling of subscriptions for and allotments of the securities to be issued. General supervision is exercised over the conduct of transactions in securities after their issue, either by the divisions of the

Bureau in Washington, by other branches of the Government service, or by the Federal Reserve Banks and branches, fiscal agents of the United States. The Office directs the production of securities and prepares regulations governing transactions in public debt obligations after their issue. During the fiscal year 1944, the new security issues included 10 offerings of Treasury bonds, 4 of Treasury notes, 8 of certificates of indebtedness, and 52 of Treasury bills, a total of 74 offerings. Excluding Treasury bills, these issues amounted to \$63,335 millions in the aggregate, of which \$42,601 millions were for cash and \$20,734 millions for refunding of other securities. A net increase of \$2,862 millions resulted from the weekly Treasury bill operations. During the year receipts from continuing sales of United States savings bonds amounted to \$15,498 millions, and of Treasury savings notes, \$8,954 millions.

*Division of Loans and Currency (Washington)*

This office is the agency through which public debt obligations of the United States are issued. It is also responsible for the issue of the securities of various Government corporations and credit agencies and for the issue of obligations of the insular governments, for which the Treasury Department acts as agent. It conducts transactions in such obligations after their issue (except in savings bonds, which are conducted at its Chicago branch), and maintains the accounts of the registered issues of transferable securities, and issues checks in payment of interest thereon. The office undertakes the safekeeping of securities for certain Government offices. It verifies and delivers to the Destruction Committee canceled currency redeemed by the Treasurer of the United States and mutilated paper (spoilage, etc.) received from the Division of Paper Custody and the Bureau of Engraving and Printing.

*Issue and retirement of securities.*—The following is a summary of the issue and retirement of securities conducted through the Division of Loans and Currency in Washington during the fiscal year 1944.

*Transactions in public debt and insular securities and in securities of various Government corporations and credit agencies, fiscal year 1944*

[Principal amount]

Transaction	Bearer	Registered	Total
Public debt securities:			
On hand July 1, 1943.....	\$104,233,415,400	\$33,167,529,895	\$137,400,945,295
Unissued stock returned to Division.....	1,533,007,000	2,975,425	1,535,982,425
Received from Bureau of Engraving and Printing.....	263,104,300,000	58,812,963,240	321,917,263,240
Total to be accounted for.....	368,870,722,400	91,983,468,560	460,854,190,960
Stock shipments to Federal Reserve Banks and branches, Post Office Department, and issuing agents for United States savings bonds.....	166,663,202,450	33,159,598,475	199,822,800,925
Issued by Division.....	223,859,600	14,900,381,065	15,124,240,665
Unissued stock delivered to the Register of the Treasury.....	9,453,172,700	984,073,170	10,437,245,870
Total disposals.....	176,340,234,750	49,044,052,710	225,384,287,460
On hand June 30, 1944.....	192,530,487,650	42,939,415,850	235,469,903,500
Retired and redeemed.....	759,210,010	8,534,367,830	9,293,577,840



*Transactions in public debt and insular securities and in securities of various Government corporations and credit agencies, fiscal year 1944—Con.*

Transaction	Bearer	Registered	Total
Insular securities and securities of Government corporations and credit agencies:			
On hand July 1, 1943.....	\$4, 184, 416, 319	\$892, 888, 050	\$5, 077, 304, 369
Received from Bureau of Engraving and Printing.....	416, 018, 000	803, 170, 000	1, 219, 188, 000
Total to be accounted for.....	4, 600, 434, 319	1, 696, 058, 050	6, 296, 492, 369
Stock shipments to Federal Reserve Banks and branches.....	460, 193, 500		460, 193, 500
Issued by Division.....	444, 000	739, 797, 650	740, 241, 650
Unissued stock delivered to the Register of the Treasury.....	2, 421, 115, 100	666, 789, 850	3, 087, 904, 950
Total disposals.....	2, 881, 752, 600	1, 406, 587, 500	4, 288, 340, 100
On hand June 30, 1944.....	1, 718, 681, 719	289, 470, 550	2, 008, 152, 269
Retired and redeemed.....	2, 449, 225	415, 353, 300	417, 802, 525

*Individual registered accounts.*—Individual accounts are maintained in the Washington office in connection with registered issues of the United States (excluding savings bonds) and of securities of various Government corporations and credit agencies; and interest is paid periodically in the form of checks on the interest-bearing debt. The accounts open June 30, 1944, were as follows:

Registered issues	Number of accounts	Principal
Public debt:		
Interest-bearing loans <sup>1</sup> .....	419, 086	\$25, 455, 238, 876. 40
Matured loans (Liberty, Victory, Treasury, postal savings bonds, etc.).....	21, 013	16, 169, 320. 00
Total public debt issues.....	440, 099	25, 471, 408, 196. 40
Others:		
Interest-bearing loans:		
Home Owners' Loan Corporation bonds.....	183	15, 338, 000. 00
Consolidated Federal farm loan bonds.....	5, 814	31, 038, 800. 00
Federal Housing Administration debentures.....	512	23, 532, 936. 23
Total interest-bearing loans.....	6, 509	69, 909, 736. 23
Matured loans:		
Home Owners' Loan Corporation bonds.....	428	1, 198, 000. 00
Federal Farm Mortgage Corporation bonds.....	2, 118	3, 593, 000. 00
Federal Housing Administration debentures.....	2	17, 100. 00
Total matured loans.....	2, 548	4, 808, 100. 00
Total other issues.....	9, 057	74, 717, 836. 23

<sup>1</sup> Excludes savings bonds and adjusted service bonds.

There were 155,697 individual accounts closed for registered Liberty bonds, Victory notes, special Treasury notes, certificates of indebtedness, postal savings issues, depository bonds, and Treasury bonds, etc.; and 9,371 accounts were decreased, representing retirements of securities in the amount of \$7,575,051,360 par value. In connection with the same loans, 134,621 new accounts, involving \$13,071,729,690 of principal, were opened. During the year 21,932 changes of address for mailing of interest checks were made.

Interest on registered Treasury bonds was paid on due dates in the form of 736,099 checks amounting to \$222,344,163.91; on registered securities of the postal savings loans, etc., 58,785 checks for \$4,234,233.25 were issued; and on registered issues of special Treasury notes and certificates of indebtedness, interest payable by 12 checks amounting to \$69,986,518.58 was paid. Also 1 check was issued in payment of interest amounting to \$22,507,108.04 on the 4½ percent adjusted service bonds—United States Government life insurance fund series; and 2,716 checks were issued in payment of interest amounting to \$5,902,809.43 on the 2 percent depositary bonds. There were received from the Bureau of Engraving and Printing 883,500 checks as stock.

*Claims.*—Claims for relief, on account of lost, stolen, destroyed, or mutilated securities, handled by the Division of Loans and Currency in Washington during the year were as follows:

Claims	Number of claims	Number of securities	Par amount of securities
Public debt issues <sup>1</sup>			
On hand July 1, 1943.....	12,335	37,517	\$6,011,556.30
Received.....	17,151	31,940	3,817,052.20
Total to be accounted for.....	29,486	69,457	9,828,608.50
Settled by:			
Reissue or redemption of securities.....	593	1,523	554,816.50
Recovery of securities.....	2,542	3,867	733,375.00
Disallowance of claims and credit allowed.....	2,701	7,288	625,079.55
Other dispositions.....	495	918	57,237.00
Total disposals.....	6,331	13,596	1,970,508.05
On hand June 30, 1944.....	23,155	55,861	7,858,100.45
Home Owners' Loan Corporation, Federal Farm Mortgage Corporation, and consolidated Federal farm loan bonds			
On hand July 1, 1943.....	275	1,267	\$457,800.00
Received.....	50	256	152,925.00
Total to be accounted for.....	325	1,523	610,725.00
Settled by reissue, redemption, recovery or no relief.....	33	116	49,703.75
On hand June 30, 1944.....	292	1,407	561,021.25

<sup>1</sup> Includes adjusted service bonds.

*Safekeeping of securities.*—During the year transactions in securities held in safekeeping were as follows:

Issues	On hand July 1, 1943	Received and receipts issued	Released	On hand June 30, 1944
Public debt issues.....	\$10,910,685,906.40	\$10,401,044,000.00	\$6,754,822,000.00	\$14,556,907,906.40
Adjusted service bonds.....	2,300.00			2,300.00
Insular securities.....	6,454,500.00			6,454,500.00
Home Owners' Loan Corporation bonds.....	156,000,000.00	732,000,700.00	348,000,700.00	580,000,000.00
Total.....	11,113,142,706.40	11,133,044,700.00	7,102,822,700.00	15,143,364,706.40

*Mutilated paper and redeemed currency.*—Mutilated paper verified and delivered to the Destruction Committee consisted of 82,927,216 sheets and coupons, of which 82,918,914 sheets and coupons were received from the Bureau of Engraving and Printing and 8,302 sheets from the Division of Paper Custody.

Redeemed currency, unfit for circulation, counted and delivered to the Destruction Committee during the year amounted to 849,262,097 pieces, representing \$1,189,170,886.77, detailed as follows:

Currency	Pieces	Face value
United States notes.....	39,382,011	\$147,096,336.00
Silver certificates.....	809,773,337	1,038,965,730.00
Gold certificates.....	105,306	3,106,530.00
Treasury notes.....	172	2,000.00
Fractional currency.....	1,271	290.77
Total.....	849,262,097	1,189,170,886.77

In addition to the securities which were delivered to the Register of the Treasury, the Division canceled and delivered to the Register 1,764,532 coupons amounting to \$339,805,139.92. Of these, 1,663,529 were public debt coupons amounting to \$322,992,275.21 and 101,003 amounting to \$16,812,864.71 were coupons from securities of Government corporations and credit agencies.

*Reports.*—Various periodical and special statements, charts, etc., were prepared by the Washington Office for use in planning financing operations. During the year there was incorporated in these statements information obtained from 90,491 reports covering holdings of Government and Government-guaranteed securities submitted by banks and insurance companies and from 243,215 reports reflecting sales of United States savings bonds submitted by corporations generally and by other agencies.

*Office of the Register of the Treasury (Washington)*

This Office is charged with the receipt, from any source, of all redeemed, exchanged, or unissued public debt securities, including interest coupons and war savings stamps, canceled and retired on any account, and with their final audit and subsequent custody. The Office performs similar functions with respect to the securities issued by various Government corporations and agencies, and retires bonds of the insular possessions which are exchanged for other securities. The Register renders monthly certifications to the Comptroller General of all public debt securities redeemed by the Treasurer of the United States, and establishes credits due the Division of Loans and Currency and the Federal Reserve Banks for securities canceled by them on account of exchanges, etc.

The following statement shows the number of pieces and face value of the various classes of securities which were received by the Washington office during the fiscal year 1944.

*Summary of securities received by the Washington Office of the Register of the Treasury  
on account of transactions, fiscal year 1944*

Security	Bearer		Registered	
	Pieces	Amount	Pieces	Amount
	Redeemed			
Public debt securities:				
Postal savings bonds, etc.	36	\$12,510.00	50	\$34,430.00
Liberty loans	4,693	1,626,700.00	926	388,350.00
Treasury bonds	717,667	2,649,302,200.00	231,236	220,091,600.00
Treasury notes	87,693	1,643,044,800.00	315	1,305,628,000.00
Treasury notes—tax series and savings series			1,325,186	6,872,875,300.00
United States savings bonds			4	5,080.00
Depository bonds			439	37,440,000.00
Adjusted service bonds			122,102	6,105,100.00
Certificates of indebtedness	415,224	17,045,971,000.00	225	5,688,778,000.00
Treasury bills	344,604	51,146,938,000.00		
Treasury (war) savings securities	22,462	33,699.00	773	7,130.00
Interest coupons	14,842,777	1,596,285,713.60		
Other securities:				
Home Owners' Loan Corporation:				
Bonds	272,916	710,734,200.00	4,784	274,419,000.00
Interest coupons	933,063	25,455,468.94		
Interest checks			2,811	433,698.75
Federal Farm Mortgage Corporation:				
Bonds	336,805	850,238,400.00	31,425	30,363,900.00
Interest coupons	729,720	16,942,015.71		
Interest checks			11,508	594,463.00
Consolidated Federal farm loans of the Federal land banks:				
Interest coupons	870,461	20,208,853.92		
Interest checks			12,042	1,030,772.76
Federal Housing Administration:				
Debentures			1,453	2,603,000.00
Interest checks			1,463	672,610.60
Federal home loan banks:				
Consolidated debentures	5,310	165,310,000.00		
Interest coupons	29	690.00		
Reconstruction Finance Corporation:				
Notes	57,351	895,628,000.00		
Interest coupons	60,708	4,748,967.93		
Commodity Credit Corporation:				
Notes	34	129,000.00		
Interest coupons	64,577	4,632,169.21		
Federal National Mortgage Association:				
Notes	5,901	55,563,000.00		
Interest coupons	5,996	453,585.31		
Federal Public Housing Authority:				
Notes	11,938	114,091,000.00		
Interest coupons	30,804	1,570,673.16		
Total	19,823,769	76,966,920,646.78	1,746,734	14,441,462,275.11
	Retired on account of exchanges for other securities, etc.			
Public debt securities:				
Postal savings bonds, etc.	403	\$144,740.00	6,065	\$3,326,600.00
Liberty loans	716	59,850.00		
Treasury bonds	480,297	3,570,413,200.00	78,635	808,236,900.00
Treasury notes	123,971	3,946,796,500.00	14	419,257,000.00
Treasury notes—tax series and savings series			12,658	265,580,000.00
United States savings bonds			8	75.00
Depository bonds			312	56,973,000.00
Adjusted service bonds			492	24,600.00
Certificates of indebtedness	184,043	9,312,180,000.00	1	17,240,000.00
Treasury bills	4,758	1,408,236,000.00		
First 3½% Liberty loan interim certificates	1	50.00		
Other securities:				
Insular possessions loans	18	18,000.00	110	200,000.00
Home Owners' Loan Corporation bonds	34,007	57,583,600.00	1,002	109,955,000.00
Federal Farm Mortgage Corporation bonds	23,247	17,871,600.00	2,054	6,924,400.00
Consolidated Federal farm loans of the Federal land banks, bonds	18,653	22,495,900.00	2,539	5,197,600.00
Federal Housing Administration debentures			297	359,300.00

*Summary of securities received by the Washington Office of the Register of the Treasury  
on account of transactions, fiscal year 1944—Continued*

Security	Bearer		Registered	
	Pieces	Amount	Pieces	Amount
Retired on account of exchanges for other securities, etc.—Continued				
Other securities—Continued.				
Federal home loan banks, consolidated debentures	4	\$120,000.00		
Reconstruction Finance Corporation notes	848	5,122,000.00		
Commodity Credit Corporation notes	1,320	5,870,000.00		
Federal Public Housing Authority notes	925	2,005,000.00		
Total	873,211	18,348,916,440.00	104,476	\$1,693,274,325.00
Unissued stock retired				
Public debt securities:				
Postal savings bonds, etc.			4,183	\$922,320.00
Treasury bonds	283,647	\$995,218,350.00	175,901	560,341,850.00
Treasury notes	182,917	1,440,613,500.00	1	No value
Treasury notes—tax series and savings series			610,948	1,034,482,500.00
United States savings bonds			78,917	395,563,600.00
Depository bonds			228	No value
Excess profits tax refund bonds			205	No value
Adjusted service bonds			14	700.00
Certificates of indebtedness	366,179	9,970,639,000.00	1	No value
Treasury bills	23,717	3,188,445,000.00		
Interest coupons	4,072,209	606,454,440.91		
Other securities:				
Insular possessions loans			3,561	13,275,000.00
Home Owners' Loan Corporation:				
Bonds	883,227	660,614,700.00	104,715	434,598,000.00
Interest coupons	87,368	12,489,891.88		
Federal Farm Mortgage Corporation:				
Bonds	101,579	117,160,900.00	16,454	218,484,100.00
Interest coupons	37,310	1,239,813.12		
Consolidated Federal farm loans of the Federal land banks:				
Bonds			8	2,500.00
Interest coupons	141,127	8,866,380.76		
Federal Housing Administration debentures			789	430,250.00
Federal home loan banks, consolidated debentures	1	5,000.00		
Reconstruction Finance Corporation:				
Notes	96,119	1,612,977,000.00		
Interest coupons	10,335	575,910.00		
Commodity Credit Corporation:				
Notes	6,205	182,874,000.00		
Interest coupons	15,348	1,457,780.24		
Federal National Mortgage Association:				
Notes	1,757	16,887,000.00		
Interest coupons	14,237	472,750.95		
Federal Public Housing Authority:				
Notes	18,798	146,850,000.00		
Interest coupons	4,016	242,734.68		
Total	6,346,096	18,964,084,152.54	995,925	2,658,100,820.00
Recapitulation				
Public debt securities:				
Postal savings bonds, etc.	439	\$157,250.00	10,298	\$4,283,350.00
Liberty loans	5,409	1,686,550.00	926	388,350.00
Treasury bonds	1,481,611	7,214,933,750.00	485,772	1,588,670,350.00
Treasury notes	394,581	7,030,454,800.00	330	1,724,885,000.00
Treasury notes—tax series and savings series			1,948,792	8,172,937,800.00
United States savings bonds			78,910	395,560,445.00
Depository bonds			979	94,413,000.00
Excess profits tax refund bonds			205	No value
Adjusted service bonds			122,608	6,130,400.00
Certificates of indebtedness	965,446	36,328,790,000.00	227	5,706,018,000.00
Treasury bills	373,079	55,743,619,000.00		
First 3½% Liberty loan interim certificates	1	50.00		
Treasury (war) savings securities	22,462	33,699.00	773	7,130.00
Interest coupons	18,914,986	2,202,740,154.51		

*Summary of securities received by the Washington Office of the Register of the Treasury  
on account of transactions, fiscal year 1944—Continued*

Security	Bearer		Registered	
	Pieces	Amount	Pieces	Amount
Recapitulation—Continued				
Other securities:				
Insular possessions loans	18	\$18,000.00	3,671	\$13,475,000.00
Home Owners' Loan Corporation:				
Bonds	1,190,150	1,428,932,500.00	110,501	818,972,000.00
Interest coupons	1,020,431	37,945,360.82		
Interest checks			2,811	433,698.75
Federal Farm Mortgage Corporation:				
Bonds	461,631	994,270,900.00	49,933	255,772,400.00
Interest coupons	767,030	18,181,828.83		
Interest checks			11,508	594,463.00
Consolidated Federal farm loans of the				
Federal land banks:				
Bonds	18,653	22,495,900.00	2,847	5,200,100.00
Interest coupons	1,011,588	38,075,234.65		
Interest checks			12,042	1,030,772.76
Federal Housing Administration:				
Debentures			2,539	3,392,550.00
Interest checks			1,463	672,610.60
Federal home loan banks:				
Consolidated debentures	5,315	165,435,000.00		
Interest coupons	29	690.00		
Reconstruction Finance Corporation:				
Notes	154,318	2,513,727,000.00		
Interest coupons	71,043	5,324,877.93		
Commodity Credit Corporation:				
Notes	7,559	188,873,000.00		
Interest coupons	79,925	6,089,949.45		
Federal National Mortgage Association:				
Notes	7,658	72,450,000.00		
Interest coupons	20,233	926,336.26		
Federal Public Housing Authority:				
Notes	34,661	262,946,000.00		
Interest coupons	34,820	1,813,407.84		
Total	27,043,076	114,279,921,239.32	2,847,135	18,792,837,420.11

NOTE.—Redeemed securities are audited through March 1944 settlement.

*Division of Public Debt Accounts and Audit (Washington)*

This Division maintains administrative control accounts for all security transactions in the public debt which are conducted by the various Treasury offices and by the Federal Reserve Banks and branches as fiscal agents of the United States, and for savings bond transactions conducted by the post offices, Division of Disbursement of the Treasury Department, Government Printing Office, Library of Congress, and War and Navy Departments as issuing agents; and for transactions involving distinctive and nondistinctive paper used in printing public debt and other securities, currency, stamps, etc., in the Bureau of Engraving and Printing; conducts administrative examinations and audits of such transactions and of the securities involved; maintains control accounts for various classes of unissued currency in reserve, and conducts administrative examinations and physical audits of such unissued stocks and cash balances in custody, and of collateral securities held in trust in the Office of the Treasurer

of the United States. Included in the administrative control accounts are transactions in securities of various Government corporations and agencies.

The control accounts of transactions in the public debt maintained by the Washington office with other branches of the Bureau of the Public Debt, with the Office of the Treasurer of the United States and various other branches of the Government, and with the Federal Reserve Banks as fiscal agents of the United States greatly increased during the past year in consequence of the war financing and the more extended participation of branches of Federal Reserve Banks in such transactions.

In addition to maintaining the administrative debt accounts, the Washington office conducted 129 audits involving physical counts of securities, currency, distinctive and nondistinctive paper, interest checks, etc., amounting to about \$13,285 millions in face value and 105,164,830 in number of pieces; an examination and audit of 2,141 individual accounts of holders of registered bonds; and an audit of the numerical registers involving an examination of 51,885,257 spaces representing bonds retired or outstanding. Other special audits under instructions of the Secretary of the Treasury were also conducted.

The Division determined and certified credits to the cumulative sinking fund and amounts in the sinking fund available for expenditure from time to time, interest on all classes of public debt securities and securities of various Government corporations and credit agencies which became due and payable on their respective interest-payment dates, and the amount of each form of such securities and unpaid interest outstanding each month. It prepared estimates of interest to become payable on public debt securities in future fiscal years, and of expenditures to be made on account of retirements for the sinking fund and other special accounts, and prepared statements showing the accountability of Federal Reserve Banks for public debt and other securities for the use of Federal Reserve Board examiners in their periodical examinations of those banks. Numerous data pertaining to public debt and other transactions for various interested offices and individuals were also compiled.

#### *Division of Paper Custody (Washington)*

This Division receives from the contractors all distinctive paper used in printing public debt obligations and paper currency of the United States and issues such paper to the Bureau of Engraving and Printing against orders to print; it also maintains records of receipts and issues of Federal Reserve notes stored in the Federal Reserve vault. In connection with the manufacture of paper, a field force is maintained at the mill of the contractors.

The following tables summarize the operations of the Division during the year.

*Receipts and issues of distinctive and nondistinctive paper, fiscal year 1944*

[In sheets]

Kind	On hand July 1, 1943	Received	Issued	On hand June 30, 1944
<b>DISTINCTIVE</b>				
United States currency and Federal Reserve notes	22,893,276	142,266,069	142,979,652	22,119,693
United States bonds	4,660,487	73,269,123	68,749,847	9,179,763
Cuban currency	1,029,638	250,000	1,279,638	
Philippine currency	184,093		16,351	173,742
Total	28,767,494	215,725,192	213,019,488	31,473,198
<b>NONDISTINCTIVE</b>				
Parchment, artificial parchment, and parchment deed	743,162	383,896	393,960	733,098
Philippine Islands postal card	49,605			49,605
Miscellaneous	2,268,447	1,486,742	1,489,418	2,265,771
Total	3,061,214	1,870,638	1,883,378	3,048,474

*Receipts and issues of Federal Reserve notes, fiscal year 1944*

[In thousands of dollars]

Federal Reserve notes	On hand July 1, 1943	Received	Issued	On hand June 30, 1944
Series 1928	2,812,100			2,812,100
Series 1934	3,515,640	9,797,240	8,139,160	5,173,720

During the year 214,657,071 sheets of paper were counted prior to issue to the Bureau of Engraving and Printing for authorized work.

*Destruction Committee (Washington)*

The following table summarizes the securities (including redeemed canceled currency) and miscellaneous items received from the various offices and destroyed by the Destruction Committee during the year.

*Number and face amount of securities and miscellaneous items destroyed by the Destruction Committee, fiscal year 1944*

Office making delivery, and items	Number of pieces	Face value
<b>Division of Loans and Currency and Treasurer of the United States:</b>		
United States notes	39,221,351	\$146,575,936.00
Silver certificates	806,540,967	1,035,191,130.00
Gold certificates	105,306	3,106,530.00
Treasury notes	172	2,000.00
Fractional currency	1,271	290.77
Total	845,869,067	1,184,875,886.77
<b>Comptroller of the Currency, national banks, and Federal Reserve Bank agents:</b>		
Federal Reserve notes	231,519,095	2,154,523,365.00
Federal Reserve Bank notes	7,593,893	63,648,933.00
National bank notes	450,179	6,139,408.00
Total	239,563,167	2,224,311,706.00
<b>Register of the Treasury:</b>		
Principal pieces	7,493,662	33,864,413,775.34
Coupons	23,570,942	350,660,269.91
Total	31,064,604	34,215,074,045.25



*Number and face amount of securities and miscellaneous items destroyed by the  
Destruction Committee, fiscal year 1944—Continued*

Office making delivery, and items	Number of pieces	Face value
Bureau of the Public Debt, Chicago Office:		
Redeemed savings stamps, post offices.....		\$725,514,565.55
Redeemed savings stamps, Federal Reserve Banks and branches.....		22,990,071.65
Unissued savings stamps.....		244,855.05
Total.....		748,749,492.25
Farm Credit Administration—principal pieces.....	572,580	17,597,118.42
Bureau of Internal Revenue—miscellaneous stamps.....		700,006,993.83
Foreign Funds Control—forms T. F. E. L. 2.....	1,048	
Bureau of Engraving and Printing—registered proof sheets.....	22,296	
Total.....	595,924	717,604,112.25
Division of Loans and Currency:		
For Bureau of Engraving and Printing—mutilated work (sheets).....	49,742,894	
For Division of Paper Custody (sheets).....	8,302	
Void coupons.....	33,176,020	
Checks, Securities Section.....	112,669	
Total.....	83,039,885	
Grand total.....	1,200,132,647	39,090,615,242.52

*Chicago Office*

The functions assigned to the Bureau of the Public Debt in connection with United States savings bonds and stamps which have been issued are performed in the Chicago Office under the administration of a Deputy Commissioner. The Chicago Office comprises the Administrative Office, Division of Loans and Currency, Office of the Register of the Treasury, Division of Public Debt Accounts and Audit, and the Division of Savings Bonds. The first four units are branches of offices in Washington. A résumé of the duties and of the activities during 1944 of each of these units follows.

*Administrative Office (Chicago)*

The Administrative Office exercises general supervision over the entire Chicago office and handles all administrative matters relating to Budget accounts, supplies, equipment, personnel, procedure, and office space.

The total number of employees of the Chicago office increased from 6,820 at the beginning of the year to 8,285 on June 30, 1944, a net increase of 1,465. In order to secure additional employees and at the same time replace 5,140 separations from the service during the year, about 14,500 persons were interviewed and 6,605 were appointed. The average monthly turnover during the year was 5.8 percent. Recruitment continues to present one of the most serious problems confronting the office.

The Destruction Committee in Chicago supervised the destruction of 1,447,260 pounds of canceled war savings stamps. The material from these and other miscellaneous items was sold for \$26,702.

*Division of Loans and Currency (Chicago)*

This office, under an Assistant Chief in Charge, handles (1) the registration of savings bonds that have been sold, (2) the maintenance of interest accounts for Series G bondholders, and (3) transactions with savings bond owners in connection with redemptions, reissues, etc.

Every savings bond issued is registered in two ways: (1) By serial number and (2) by name of owner. Registration is accomplished through the medium of stubs from the savings bonds sold. These stubs are in the form of standard punch cards, each of which carries a full description of the bond issued. Sorting and other processing of the stubs are done largely by mechanical means.

*Registration of Series E bonds.*—The stubs received from all bonds issued during each month are first sorted by denominations and serial numbers. The stubs are then microfilmed, establishing a numerical record of every bond issued. The name of the owner is then key punched in the stub, after which the stubs are sorted alphabetically by names of owners and interfiled with the stubs of prior months of the same calendar year, thus establishing a file of each person's ownership of bonds issued during that year. A summary of the operations during 1944 follows.

Series E bond stubs		Number of stubs
<b>Mechanical processing:</b>		
On hand July 1, 1943 (processing incomplete)		113, 179, 129
Received during year from bonds issued		302, 738, 772
Total to be processed		415, 917, 901
Processed during year:	<i>Number of stubs</i>	
Numerically sorted	261, 504, 629	
Microfilmed	265, 565, 307	
Key punched	216, 547, 759	
Alphabetically sorted	170, 800, 280	
Alphabetical sort ready for manual processing:		
For filing		169, 957, 780
For manual sort		20, 909, 652
Total		190, 867, 432
On hand June 30, 1944, in various stages of processing		225, 050, 469
<b>Manual processing:</b>		
On hand July 1, 1943		42, 756, 621
Received for filing		169, 957, 780
Received from manual sort		20, 909, 652
Total to be processed		233, 624, 053
Inserted in files		182, 481, 093
On hand June 30, 1944		51, 142, 960

The alphabetical punching and machine sorting of Series E stubs were increased from 14 letters to 16 letters, thereby eliminating much of the manual sorting preparatory to inserting the stubs in the files.

In addition to microfilming 265,565,307 Series E stubs in numerical sequence, microfilming of Series A through Series E stubs in alphabetical order was started in January 1944. By the end of the year 106,163,550 alphabetically sorted stubs of Series A through D, E-1941, and E-1942 were filmed. At the close of the year 76,302,186 Series E stubs were available for alphabetical filming.

*Registration of Series F and G bonds.*—The stubs received from Series F and G issued bonds are processed in the same manner as those from Series E bonds. A summary of the operations during the year follows.

	Number of Series F stubs	Number of Series G stubs
<b>Mechanical processing:</b>		
On hand July 1, 1943 (processing incomplete).....	752,053	199,114
Received during year from bonds issued.....	1,139,589	2,644,258
Total to be processed.....	1,891,642	2,843,372
Processed during year and ready for filing.....	1,462,421	2,227,639
On hand June 30, 1944, in various stages of processing.....	429,221	615,733
<b>Manual processing:</b>		
On hand July 1, 1943.....	752,053	199,114
Received for filing.....	1,139,589	2,644,258
Total to be processed.....	1,891,642	2,843,372
Inserted in files.....	855,696	2,825,946
On hand June 30, 1944.....	1,035,946	17,426

*Series G bond interest accounts.*—During the year 846,912 new accounts were opened for Series G bondholders. Interest on these bonds is paid semiannually in the form of checks. Since Series G bonds are dated as of the first of the month in which payment for the bonds is received and since these bonds are on continuous sale there are interest payments to be made in every month of the year. During the year 4,033,385 interest checks were prepared and interest was paid in the amount of \$167,460,098.75, as compared with 1,675,584 interest checks for \$77,498,228.75 in the previous year.

In connection with Series G bond accounts, the following operations were performed during the year:

	Number
Series G stubs punched and verified.....	2,690,958
Control cards punched.....	36,956
Statistical cards reproduced.....	1,851,854
Coowner cards reproduced.....	415,816
Stubs tabulated for interest summary cards.....	2,850,113
Interest summary cards cut.....	1,302,762
Check issue cards reproduced.....	3,752,561
Checks written.....	3,752,561
Stencils cut and verified.....	713,189

Important revisions of the Series G bond interest payment procedures were accomplished during the year.

*Statistical work.*—There were processed during the year 15,585,981 stubs of savings bonds to provide sales data, 107,614 advices of shipment of redeemed savings bonds to provide redemption data, and 1,090,000 statistical report forms for postmasters. About 60,000 cards were punched and processed in reporting Treasury sales data and 500,000 cards were punched and processed in preparing pay rolls and statistics for the annual budget.

*Bond transactions.*—During the year 656,446 bonds were received which required transactions with the owners in connection with redemption, reissue, and other transactions. Of this number 626,550 were examined and retired. This involved searching of 1,076,419 items.

*Authorities for bond redemptions in estate cases, etc.*—During the year 44,430 bond cases and 47,239 legal papers were received for determination of authorities for bond redemptions chiefly in connec-

tion with the settlement of estates. About 254,245 bonds were examined. The work is approximately current notwithstanding large increases over the previous year in bond cases and legal papers received.

*Claims.*—Claims for lost, stolen, and destroyed savings bonds handled during the year are shown in the following table.

Claims	Fiscal year 1943	Fiscal year 1944
On hand at beginning of year.....	2,500	24,109
Received during year.....	46,105	<sup>1</sup> 60,259
Total to be accounted for.....	48,605	84,368
Disposals:		
Recovery of securities.....	10,630	22,047
Sent to Washington.....	14,030	45,668
Total disposals.....	24,660	67,715
On hand at end of year.....	<sup>2</sup> 24,109	16,653

<sup>1</sup> Excludes 14,978 cases involving stock credits, which cases were forwarded to Washington for settlement.

<sup>2</sup> Includes 163 cases on which caveats had not been placed.

*Office of the Register of the Treasury (Chicago)*

This Office, under an Assistant to the Register of the Treasury, is charged with the receipt, audit, clearance, and certification for credit of canceled United States savings bonds and stamps which have been redeemed or retired on any account, and with the subsequent storage of the savings bonds.

The following table shows the number of canceled savings bonds audited and filed during the year.

	Pieces	Amount
Redeemed .....	71,189,938	\$2,163,188,182.47
Exchanged.....	2,198,721	341,000,550.00
Unissued.....	9,198,977	1,626,128,625.00
Total.....	82,587,636	4,130,317,357.47

A new procedure was instituted during the year which eliminated the necessity of sorting canceled bonds in numerical order for purposes of posting to the numerical registers. The sorting of bonds in numerical order has been eliminated by preparation of a punch card for each bond by the transmitting agencies from which is tabulated a numerically arranged list of bonds for posting to the numerical registers.

During the year 31,594,826 albums containing redeemed war savings stamps in the amount of \$423,234,827.80 and 479,173 unissued stamps in the amount of \$90,630.70 were audited and filed. This work is on a substantially current basis. There were 54,698,560 canceled albums and 1,090,918 unissued stamps assembled from the files and delivered to the Destruction Committee (Chicago).

*Division of Public Debt Accounts and Audit (Chicago)*

This Division, under an Assistant Chief of Division, is charged with the verification of the issues and retirements of United States savings bonds through appropriate accounts and audits. A verification of the cash received by the Treasurer of the United States from the sales of savings bonds and the establishment of the monthly series are accomplished by this Division through audit of the original registration stubs appertaining to the bonds sold by issuing agents. The stubs are submitted by the Post Office Department on account of sales by postmasters; by the Federal Reserve Banks and branches on account of their own sales and those of their agents; and by the War and Navy Departments, the Library of Congress, the Government Printing Office, and the Treasury Disbursing Office and its 25 regional offices, representing their respective sales. During the year 309,123,020 original registration stubs, representing cash receipts of \$19,542,967,850, were audited on these accounts.

In addition, 11,392,222 canceled and unissued savings bonds were audited of which 2,129,551 were on reissues, 68,876 on claims issues, and 9,193,795 spoiled in issue, including 332,829 excess stock.

*Division of Savings Bonds (Chicago)*

The Division during the year functioned chiefly as a promotional adjunct of the War Finance Division of the Treasury, and in such connection was responsible for distribution of advertising material for the promotion and sale of savings bonds and stamps. The special mailing lists consisted of 218 groups with a total of about one and one-quarter million plates.

The Division conducted correspondence with owners and prospective purchasers of war bonds and sent reminder purchases notices at regular intervals to approximately 68,000 participants in the Regular Purchase Plan.

**TREASURER OF THE UNITED STATES**

Public moneys are received and disbursed through the accounts of the Treasurer of the United States. Depositary accounts are carried with several hundred designated Government depositories. Checking accounts with disbursing officers of the Government are maintained on the books of the Treasurer. Funds appropriated by Congress for the use of the various departments and establishments of the Government are advanced to disbursing officers as required through credits to their accounts with the Treasurer, and disbursements are made by checks drawn by disbursing officers against such accounts. The Treasurer is the official custodian of the public money; he is also fiscal agent for the payment of the principal of and interest on the public debt, for the issue and redemption of United States paper currency, for the redemption of Federal Reserve notes, Federal Reserve Bank notes, and national bank notes, and is treasurer of the Board of Trustees of the Postal Savings System and trustee and custodian of miscellaneous securities and trust funds. He acts as special agent for the payment of the principal of and interest on bonds and other obligations of the insular governments and of Government corporations and agencies.

The program to decentralize the payment of certain classes of checks by arranging with the Federal Reserve Banks to act as fiscal agents for the Treasurer in payment of such checks was further extended during the fiscal year to include substantially all payments made by the twenty regional offices of the Division of Disbursement located in the continental United States.

A comparison of the receipts and expenditures of the Government for the fiscal years 1943 and 1944, exclusive of postal revenues and payments payable therefrom, is shown in the following table.

*Summary of receipts and expenditures, fiscal years 1943 and 1944*

[On basis of daily Treasury statements, see p. 519]

	1943	1944	Increase or decrease (—)
General and special accounts:			
Net receipts.....	\$22,281,612,709.24	\$44,148,926,968.07	\$21,867,284,258.83
Expenditures, excluding statutory debt retirements (sinking fund, etc.) .....	78,178,885,240.87	93,743,513,213.84	15,564,627,972.97
Excess of expenditures, excluding statutory debt retirements .....	55,897,242,531.63	49,594,586,245.77	-6,302,656,285.86
Trust accounts, etc:			
Receipts.....	3,926,252,842.21	5,952,721,588.47	1,126,468,746.26
Expenditures:			
Trust accounts, etc.....	3,593,551,348.14	4,700,377,863.19	1,106,826,515.05
Transactions in checking accounts of Government agencies, etc. (net).....	2,193,685,465.83	4,403,068,674.50	2,209,383,208.67
Total expenditures .....	5,787,236,813.97	9,103,446,537.69	3,316,209,723.72
Excess of expenditures.....	1,860,983,971.76	4,050,724,949.22	2,189,740,977.46

The total public debt obligations outstanding on June 30, 1943, were \$136,696,090,329.90 and the receipts and retirements during the fiscal year 1944 were \$153,785,399,539.98 and \$89,478,102,648.75, respectively, making \$201,003,387,221.13 of obligations outstanding on June 30, 1944, an increase for the year of \$64,307,296,891.23.

The public debt retirements chargeable against ordinary receipts during the year amounted to \$1,650 and are included in the total retirements shown in the preceding paragraph.

The amount of interest paid on the public debt during the year is classified as follows:

Class of interest payment	Amount
Interest coupons paid .....	\$1,595,684,364.42
Registered interest checks paid .....	467,661,284.40
Accrued interest paid in cash on obligations at redemption .....	125,812,287.09
Discount on Treasury bills sold .....	51,018,753.92
Discount accrued on United States savings bonds .....	223,189,953.71
Interest paid on obligations, special series (transfer-counter warrant transactions) ..	161,517,692.31
Total paid .....	2,624,884,335.85
Less repayments.....	15,904,530.23
Net payments .....	2,608,979,805.62

The number of pieces of public debt principal obligations examined, verified, and redeemed during the year was 121,784,837 as compared with 56,433,991 pieces for the previous year. Checks in payment of

interest on the registered obligations of the United States verified and paid totaled 4,270,326 pieces, and the matured interest coupons of Government obligations examined, verified, and paid totaled 14,845,579 pieces.

The gold holdings of the Treasury as of June 30, 1944, were 604,-954,335.5 ounces amounting to \$21,173,401,741.86, valued at \$35 an ounce, a decrease of 34,687,257.4 ounces and \$1,214,054,009.19 from the previous year. The details of these holdings are shown in the table on page 728 of this report. The decrease in gold holdings was due principally to a net reduction of \$1,214,473,161.81 in holdings by mints and assay offices on account of transfers to foreign accounts for earmark, exports, etc. (valued at \$35 an ounce); receipts of gold (paid for at \$20.67 + an ounce) under the order of December 28, 1933, of the Secretary of the Treasury amounted to \$247,561.52; and the increment resulting from reduction in the weight of the gold dollar amounted to \$171,591.10.

Paper currency of each class issued and redeemed during the year and the amounts outstanding, including Treasury and Federal Reserve Bank holdings on June 30, 1943 and 1944, were as follows:

Class	Outstanding June 30, 1943	Issued	Redeemed	Outstanding June 30, 1944	
				In Treasury	Outside Treasury
Gold certificates .....	\$2,873,222,179		\$3,126,260	\$659,710	\$2,869,436,209
Silver certificates .....	1,965,154,828	\$977,628,000	1,104,830,232	25,216,321	1,812,736,275
United States Notes .....	346,681,016	155,196,000	155,196,000	2,171,346	344,509,670
Treasury notes of 1890 .....	1,156,048		700	1,676	1,153,672
Federal Reserve notes .....	14,404,174,100	7,334,605,000	2,210,805,510	78,788,148	19,449,185,442
Federal Reserve Bank notes .....	632,971,232	35,920,000	63,880,433	659,509	604,351,290
National bank notes .....	133,357,652		6,139,408	472,298	126,745,946
Total .....	20,356,717,055	8,503,349,000	3,543,978,543	107,969,008	25,208,118,501

United States paper currency shipped during the year from the Treasury in Washington to Federal Reserve Banks and branches and others amounted to \$1,175,514,690, an increase of \$50,628,910 over the previous year.

The Treasurer's Office directed shipments of current silver and minor coins between the United States Treasury, the United States mints, and the Federal Reserve Banks and branches for use in public disbursements, etc., as follows:

Kind	Shipments from Treasury to Federal Reserve Banks and branches	Shipments from mints to Treas- ury and Federal Reserve Banks and branches	Shipments be- tween Federal Reserve Banks and branches
Silver:			
Standard dollars .....		\$19,340,997.00	\$290,000.00
Half dollars .....	\$295,000.00	27,073,400.00	
Quarter dollars .....		32,575,000.00	275,000.00
Dimes .....		31,102,400.00	550,000.00
Minor:			
Five-cent coins .....	155,000.00	11,812,649.35	\$5,000.00
Cents .....		15,302,316.93	
Total .....	450,000.00	137,206,763.28	1,200,000.00

Shipments and transfers of gold coin and bullion and of uncurrent silver and minor coins to the mints from the Treasury and the Federal Reserve Banks and branches were authorized in the amounts of \$429,690 and \$1,946,410, respectively.

The proceeds of currency received into the Treasurer's cash by the Currency Redemption Division during the year amounted to \$490,674,891, of which \$335,743,818 was in Federal Reserve notes, \$63,440,779 in Federal Reserve Bank notes, \$5,967,525 in national bank notes, and \$85,522,769 in United States currency.

Canceled Federal Reserve notes amounting to \$2,004,175,335 were received from Federal Reserve Banks and branches for credit of Federal Reserve agents. These notes are not taken into the Treasurer's cash because settlement therefor is made between the Federal Reserve Banks and the Federal Reserve agents.

Public moneys on deposit in designated Government depositories on June 30, 1944, to the credit of the Treasurer and to the credit of other Government officers amounted to \$19,715,145,810.52 and \$216,037,592.27, respectively, including items in transit. The table on page 728 shows the amounts in the various depositories on June 30 of the last two years.

Transfers to establish, to increase, and to restore the Treasurer's balance with depository banks during the fiscal year 1944 numbered 2,296 and aggregated \$902,337,319.

Principal obligations of Government corporations and agencies and insular governments redeemed by the Treasurer during the year amounted to \$2,795,379,650; checks issued by the Treasurer in payment of interest on such registered obligations paid during the year amounted to \$3,215,909; interest coupons on such obligations paid amounted to \$84,727,998; and interest paid in cash when such obligations were redeemed amounted to \$23,362,128.

Funds were advanced to United States disbursing officers by accountable warrants issued in an aggregate amount of \$126,311,085,988. Treasurer's checks aggregating \$9,677,624 were issued on settlement warrants in payment of claims settled by the Comptroller General.

Checks drawn on the Treasurer of the United States by Government disbursing officers and agencies were paid during the fiscal year 1944 to the estimated number of 290,025,490, of which 123,227,357 were paid for the Treasurer by Federal Reserve Banks acting as his agents. The total number of checks paid during the previous fiscal year was 201,676,720, of which number 15,290,259 were paid through the Federal Reserve Banks. Thus, the number of all checks increased during the fiscal year by 44 percent, and the number of payments at Federal Reserve Banks increased by 706 percent.

Balances to the credit of disbursing officers and Government agencies in 10,112 accounts on June 30, 1944, amounted to \$19,432,921,597, an increase of \$465,434,880, as compared with the total of such balances in 7,545 accounts on June 30, 1943.

Payments to correct irregularities in negotiation of checks were made during the year to the number of 12,322 amounting to \$828,178.10, while in the previous year the number was 4,906 amounting to \$281,072.69.

Duplicate checks to the number of 52,414 were requested by payees or endorsees during the year as compared with 27,578 during the previous year, the original check in each case having been lost,



stolen, wholly or partly destroyed, or so mutilated or defaced as to impair its value to its owner or holder.

Drafts in 33 different kinds of foreign currencies, aggregating 1,620 in number, were purchased by the Treasurer for various agencies of the Government at a cost of \$225,868.44.

Payments aggregating \$1,026,872,555.66 were made to Government officers located in 25 different foreign countries by means of 371 cable transfers.

Commercial checks, drafts, and postal express money orders, etc., aggregating 2,467,899 items and amounting to \$2,569,997,803.31 were deposited by Government officers with the Treasurer of the United States for collection.

The Treasurer is custodian of securities pledged for the safekeeping and prompt payment of Government deposits in bank depositaries, of postal savings funds in depositaries designated to receive such funds, and, under provisions of law or by direction of the Secretary of the Treasury, of various trust funds comprised of bonds and other obligations and of securities placed in safekeeping by various Government executive departments and bureaus. The face value of such securities held on June 30, 1943, and June 30, 1944, classified according to the purpose for which held, is shown in the following table.

Purpose for which held	June 30, 1943	June 30, 1944
To secure deposits of public moneys in depository banks	\$252,466,000	\$424,822,025
To secure deposits of postal savings funds	14,092,000	10,597,050
For District of Columbia:		
Teachers' retirement fund	10,264,250	10,708,050
Water fund	1,773,000	1,773,000
Other	398,570	402,170
United States savings bonds held for various depositories	35,731,600	60,706,025
For the Board of Trustees, Postal Savings System	1,357,942,760	1,759,425,730
For the Secretary of War	12,420,330	11,365,230
For the Secretary of the Treasury:		
Foreign obligations	12,072,484,757	12,072,400,757
Obligations on account of sales of surplus property	46,737,095	46,737,095
Capital stock and obligations of Government corporations and agencies	8,589,598,352	11,237,797,565
Other	4,891,269	6,361,325
For Farm Credit Administration		176,000,000
For Federal Deposit Insurance Corporation	316,738,490	468,725,300
For Federal Savings and Loan Insurance Corporation	54,500	
For Federal Farm Mortgage Corporation	115,000,000	
For Alien Property investment account	20,861,207	20,861,207
Miscellaneous	129,367,382	117,736,557
Total	22,980,804,472	26,426,419,086

## BUDGET AND IMPROVEMENT COMMITTEE

The Budget and Improvement Committee is responsible, under the direction of the Budget Officer, for the preparation and review of estimates submitted by Treasury bureaus and divisions for annual or deficiency appropriations. It is also responsible, under the direction of the Budget Officer, for the investigation of administrative methods and procedure in their relation to appropriation estimates and for other investigations upon assignment by the Administrative Assistant to the Secretary. To facilitate the investigations, a Subcommittee on Investigations is assigned the responsibility for determining, through the inspection of field as well as departmental activities, the justification for proposed increases in appropriations and makes other surveys upon assignment.

The review of appropriation estimates includes a thorough examination of the items by the individual committee members to whom respective bureaus or divisions are assigned. The entire committee then conducts formal hearings at which the bureau or division heads, or their representatives, present oral testimony in further support of the estimates. The committee, after deliberation, submits its recommendations to the Budget Officer for his guidance in determining the items which should be approved for transmittal to the Bureau of the Budget.

In addition to the regular estimates of appropriations for the fiscal year 1945, supplemental and deficiency estimates aggregating \$59,-732,700 were received during the fiscal year 1944.

Reserves amounting to \$10,936,827 were set aside from the ordinary appropriations for the fiscal year 1944 by the bureaus and offices of the Department. During the year reserves amounting to \$4,510,000 were released by the Director of the Bureau of the Budget after approval of the committee, leaving a reserve of \$6,426,827 at the end of the year. Of the appropriations made to the Treasury Department for the fiscal year 1945, \$26,111,643 has been set aside as reserves for savings and contingencies.

For the fiscal year 1946 estimates aggregating \$11,240,637,327 were approved by the Departmental Budget Officer and submitted to the Director of the Bureau of the Budget. Such estimates included \$303,732,079 for annual appropriations; \$2,727,541,843 for permanent and indefinite appropriations and special funds; \$3,116,647,175 for trust funds; \$4,500,000,000 for interest on the public debt; and \$592,716,230 for public debt retirements chargeable against ordinary receipts.

#### BUREAU OF THE COMPTROLLER OF THE CURRENCY<sup>1</sup>

The Bureau of the Comptroller of the Currency is responsible for the execution of all laws relating to the supervision of national banking associations and all banks and building and loan associations in the District of Columbia. The Bureau is also responsible for the liquidation of suspended national banks placed in charge of receivers. Under the Emergency Banking Act of March 9, 1933, approval of the Comptroller of the Currency is required for the issuance and retirement of preferred stock of national banking associations. Other duties include those incident to the formation and chartering of new national banking associations, the establishment of branch banks, the consolidation of banks, and the conversion of State banks into national banks.

##### *Changes in the condition of active national banks*

The total assets of the 5,042 active national banks on June 30, 1944, amounted to \$70,401 millions, an increase of \$11,429 millions since June 30, 1943, when 5,066 banks reported. The deposits of the active banks in 1944, excluding reciprocal interbank demand balances, totaled \$65,833 millions, which was \$11,064 millions more than in 1943. The loans and securities totaled \$53,518 millions, representing an increase of \$10,599 millions during the year. Capital funds of \$4,111 millions were \$285 millions more than in the preceding year.

The assets and liabilities of active national banks on the date of each report from June 30, 1943, to June 30, 1944, are shown in the following statement.

<sup>1</sup> More detailed information concerning the Bureau of the Comptroller of the Currency is contained in the annual report of the Comptroller.

*Abstract of reports of condition of active national banks on the date of each report  
from June 30, 1943, to June 30, 1944*

[in thousands of dollars]

	June 30, 1943 (5,066 banks)	Oct. 18, 1943 (5,058 banks)	Dec. 31, 1943 (5,046 banks)	Apr. 13, 1944 (5,048 banks)	June 30, 1944 (5,042 banks)
<b>ASSETS</b>					
Loans and discounts, including overdrafts	9,190,143	10,775,316	10,133,532	9,950,486	11,229,680
U. S. Government securities, direct obligations	28,511,634	35,709,814	32,552,251	36,732,082	38,156,365
Obligations guaranteed by U. S. Government	1,675,768				
Obligations of States and political subdivisions	2,026,333	1,984,169	1,933,187	1,996,461	2,032,998
Other bonds, notes, and debentures	1,340,099	1,266,527	1,243,450	1,291,048	1,318,488
Corporate stocks, including stocks of Federal Reserve Banks	171,744	145,811	149,061	146,186	146,168
<i>Total loans and securities</i>	<i>42,418,721</i>	<i>49,881,637</i>	<i>47,637,785</i>	<i>50,116,263</i>	<i>53,518,263</i>
Cash, balances with other banks, including reserve balances, and cash items in process of collection <sup>1</sup>	15,227,391	15,423,238	16,080,664	15,399,509	16,059,731
Bank premises owned, furniture and fixtures	566,697	564,415	547,470	542,465	532,377
Real estate owned other than bank premises	47,530	40,748	33,990	30,764	25,582
Investments and other assets indirectly representing bank premises or other real estate	49,285	47,769	47,275	49,374	49,356
Customers' liability on acceptances outstanding	30,509	34,411	26,207	32,582	34,003
Interest, commissions, rent, and other income earned or accrued but not collected	86,079	107,788	101,664	103,024	116,883
Other assets	46,140	56,978	56,862	59,153	64,807
<i>Total assets <sup>1</sup></i>	<i>58,972,352</i>	<i>66,156,984</i>	<i>64,531,917</i>	<i>66,333,134</i>	<i>70,400,945</i>
<b>LIABILITIES</b>					
Demand deposits of individuals, partnerships, and corporations	30,518,146	30,901,323	33,254,837	33,557,069	32,715,584
Time deposits of individuals, partnerships, and corporations	8,971,178	9,501,379	9,926,259	10,194,797	11,056,548
Deposits of U. S. Government and postal savings	4,589,354	10,853,187	5,951,128	7,201,664	10,825,128
Deposits of States and political subdivisions	2,900,361	2,603,884	2,934,654	2,947,639	2,998,352
Deposits of banks <sup>1</sup>	7,156,360	7,313,763	7,160,133	6,985,579	7,403,551
Other deposits (certified and cashiers' checks, etc.)	633,962	613,519	929,170	623,232	804,090
<i>Total deposits <sup>1</sup></i>	<i>54,769,361</i>	<i>61,787,055</i>	<i>60,156,181</i>	<i>61,809,980</i>	<i>65,833,253</i>
<i>Demand deposits <sup>1</sup></i>	<i>45,429,851</i>	<i>51,918,952</i>	<i>49,847,504</i>	<i>50,927,316</i>	<i>54,408,676</i>
<i>Time deposits</i>	<i>9,339,510</i>	<i>9,868,163</i>	<i>10,308,677</i>	<i>10,882,664</i>	<i>11,424,577</i>
Bills payable, rediscounts, and other liabilities for borrowed money	4,231	36,718	8,155	56,600	6,205
Mortgages or other liens on bank premises and other real estate	67	66	61	61	60
Acceptances executed by or for account of reporting banks and outstanding	34,390	37,836	31,642	37,838	37,869
Interest, discount, rent, and other income collected but not earned	25,622	26,442	23,881	24,472	23,867
Interest, taxes, and other expenses accrued and unpaid	98,816	111,884	118,469	138,829	147,566
Other liabilities	214,460	238,413	234,086	199,550	241,516
<i>Total liabilities <sup>1</sup></i>	<i>55,146,947</i>	<i>62,238,411</i>	<i>60,572,475</i>	<i>62,267,330</i>	<i>66,290,336</i>
<b>CAPITAL ACCOUNTS</b>					
Capital stock	1,498,008	1,496,455	1,531,515	1,547,780	1,553,578
Surplus	1,474,673	1,510,737	1,619,769	1,628,622	1,662,172
Undivided profits	584,169	635,839	541,595	613,174	604,198
Reserves and retirement account for preferred stock	268,555	275,539	266,563	276,228	260,661
<i>Total capital accounts</i>	<i>3,825,405</i>	<i>3,918,570</i>	<i>3,959,442</i>	<i>4,065,804</i>	<i>4,110,609</i>
<i>Total liabilities and capital accounts <sup>1</sup></i>	<i>58,972,352</i>	<i>66,156,984</i>	<i>64,531,917</i>	<i>66,333,134</i>	<i>70,400,945</i>

<sup>1</sup> Excludes reciprocal interbank demand balances with banks in the United States.

*Summary of changes in the National Banking System*

The authorized capital stock of the 5,049 national banks in existence on June 30, 1944 (including 4 banks that had discontinued business although not in formal liquidation and 3 banks chartered during the year but not open for business as of that date) consisted of common capital stock aggregating \$1,442 millions, an increase of \$82 millions, and preferred capital stock aggregating \$115 millions, a decrease during the year of \$23 millions. The total net increase of capital stock was \$58 millions. During the year charters were issued to 20 national banking associations which had common capital stock aggregating over \$4 millions. There was a net decrease of 18 in the number of national banks in the system during the year by reason of voluntary liquidations, one receivership, and two consolidations under the act of November 7, 1918, as amended.

Changes in the number and capital stock of national banks during the fiscal year 1944 are shown in the following summary.

*Organization, capital stock changes, and liquidations of national banks, fiscal year 1944*

	Number of banks	Capital stock	
		Common	Preferred
Charters granted.....	20	\$4,730,000	
Increases of capital stock:			
3 banks, by new issues.....			\$155,870
136 banks, by regular increases.....		18,985,057	
482 banks, by stock dividends.....		61,961,366	
11 banks, by conversion of preferred capital stock.....		1,015,890	
3 banks, by consolidation (act Nov. 7, 1918, as amended).....		400,000	
Total increases.....	20	87,092,313	155,870
Voluntary liquidations.....	35	2,594,800	778,430
Receiverships.....	1	600,000	
Decreases of capital stock:			
13 banks, by reduction.....		2,380,200	
544 banks, by retirement.....			22,785,246
Closed under consolidation (act Nov. 7, 1918, as amended).....	2		
Total decreases.....	38	5,575,000	23,563,676
Net changes during the year.....	-18	+81,517,313	-23,407,806
Charters in force June 30, 1943.....	5,067	1,360,656,916	138,418,848
Charters in force June 30, 1944.....	5,049	1,442,174,229	115,011,042

<sup>1</sup> This figure differs from that shown in the preceding table. Banks that have discontinued business although not in formal liquidation do not submit reports of condition but are included in this table. Included also are 3 banks chartered during the period that had not opened for business as of June 30, 1944.

**BUREAU OF CUSTOMS**

The principal functions of the Bureau of Customs are to enter and clear vessels; supervise the discharge of cargo; ascertain the quantities of imported merchandise, appraise and classify such merchandise, and assess and collect the duties thereon; control the customs warehousing of imported merchandise; enforce customs and other laws by patrolling the international borders and inspecting international traffic by vessel, highway, railway, and air; review protests against the payment of duties; determine and certify for payment the amount of drawback due upon the exportation of articles manufactured or

produced from duty-paid or tax-paid imports; prevent the smuggling of contraband merchandise and the release of prohibited articles; prevent and detect undervaluations and frauds on the customs revenue; apprehend violators of the customs laws; enforce the Anti-dumping Act and perform certain duties under the Foreign Trade Zones Act.

### *Collections*

After two successive years of diminishing revenue, customs collections in 1944 increased greatly over the preceding year and attained a level which was exceeded only once during the past decade. With a total of \$434,259,038 in 1944, collections were 32 percent greater than in 1943, and only 11 percent smaller than in 1937. The upward trend in collections which prevailed during the last five months of the preceding fiscal year continued at a less rapid rate during the first nine months of the current year, attaining a peak of \$42,998,953 in March, an amount larger than for any single month since June 1937. During the last three months of the fiscal year 1944, however, collections declined sharply, the total in June (\$30,163,209) being lower than for any other month of the fiscal year. An extension of the scope of Executive Order No. 9177, which authorized the free entry by certain governmental agencies of emergency purchases of war materials abroad, became effective during this period and partially accounted for the decreased revenues. The types of collections during the past two years are shown in the following table.

#### *Customs collections <sup>1</sup> and refunds, fiscal years 1943 and 1944*

[On basis of accounts of Bureau of Customs]

Type	1943	1944	Percentage increase or decrease (—)
<b>Collections:</b>			
<b>Duties:</b>			
Consumption entries .....	\$167,310,457	\$228,716,830	36.7
Warehouse withdrawals .....	149,417,688	192,644,820	28.9
Mail entries .....	571,506	580,640	1.6
Baggage entries .....	229,662	402,775	75.4
Informal entries <sup>2</sup> .....	903,406	1,085,413	20.3
Appraisement entries .....	95,336	86,519	-9.2
Increased and additional duties .....	6,938,492	7,051,058	1.6
Other duties .....	491,365	741,565	50.9
<b>Total duties .....</b>	<b>325,957,912</b>	<b>431,310,620</b>	<b>32.3</b>
<b>Miscellaneous:</b>			
Fines, penalties, and forfeitures .....	r 499,679	669,325	34.0
Liquidated damages .....	r 99,836	100,641	.8
Sale of seizures .....	20,987	32,971	57.1
Sale of Government property, unclaimed and abandoned merchandise .....	r 123,718	164,730	33.1
Tonnage tax and navigation fees .....	1,316,685	1,827,552	38.8
All other customs receipts .....	r 104,966	153,289	46.0
<b>Total miscellaneous .....</b>	<b>r 2,165,871</b>	<b>2,948,418</b>	<b>36.1</b>
<b>Total customs collections .....</b>	<b>r 328,123,783</b>	<b>434,259,038</b>	<b>32.3</b>
<b>Refunds:</b>			
Excessive duties .....	3,957,401	3,910,845	-1.2
Drawback payments .....	10,344,298	10,451,478	1.0
Other .....	19,318	89,156	361.5
<b>Total refunds .....</b>	<b>14,321,017</b>	<b>14,451,479</b>	<b>.9</b>

<sup>r</sup> Revised.

<sup>1</sup> Excludes customs duties of Puerto Rico, which are deposited to the credit of the Government of Puerto Rico, but includes fines and other minor collections of Puerto Rico.

<sup>2</sup> Entries of less than \$100 in value.

All the important types of duties showed greater revenue in 1944 than in the previous year, duties on appraisement entries being the only type to show a decrease. The largest relative increase appeared in duties collected on baggage entries, owing partly to increased tourist travel and partly to dutiable articles brought in the baggage of members of the armed forces returning from overseas. Duties on mail entries were very little larger than during the preceding year although the number of such entries was considerably greater, a condition due to the great number of free mail entries which arrived from members of the armed forces stationed abroad.

Wool continued to be the most important source of customs revenue during 1944, almost one-third of the total customs receipts being derived from importations of raw wool and manufactures thereof. Second in absolute importance and of far greater relative importance than ever before were imports of alcoholic beverages which yielded over two and one-half times more revenue during the past year than in 1943. Sugar was also a more important source of customs revenue, both relatively and absolutely, than during the previous year. Increased revenues were also recorded for commodities covered by all but four of the remaining schedules of the Tariff Act.

Statistics on the value of commodities included in the tariff schedules, on estimated duties and import taxes, and on the value of and duties on merchandise imported from countries in the Western Hemisphere are shown in the tables beginning on page 812.

### *Volume of business*

In order to present statistics of the volume of customs business which are analogous to collections, the data which follow are limited to the area in which all collections are turned in to the Treasury of the United States. Since all customs receipts in the Virgin Islands and all except fines and other minor collections in Puerto Rico are deposited to the credit of those respective governments, none of the data for the Virgin Islands and none except those on seizures for Puerto Rico are included below.

*Entries of merchandise.*—The number of entries of merchandise increased sharply in 1944, ending a five year period of successive decreases. The downward trend began when the European War started and was largely due to the changes in kinds and channels of trade. Imports from Europe and the Orient prior to World War No. 2 consisted generally of package goods of comparatively small size and great variety. There were few bulk cargo shipments. The closing of these markets as the war progressed reduced the number of entries more rapidly than it affected collections. The demand for war materials and the limited shipping facilities during the period of submarine activity necessitated a continuance and even a pronounced increase in importations of those commodities usually shipped in bulk, and for which a single entry might cover the entire cargo of a vessel. As the submarine menace passed, a considerable variety of articles similar to those previously brought from Europe or the Orient

began to flow in from countries in the Western Hemisphere. In most instances these were shipped as a part of general cargo to various consignees and necessitated many entries for each shipload of merchandise.

The only type of entry to show a pronounced numerical decline in 1944 was the warehouse withdrawals, the number of such transactions being only about two-thirds that of 1943, although there was a considerable increase in the collections made under this type of entry. This reflected not only the further depletion of the stocks of package goods remaining in customs bonded warehouses but also increased importations of such commodities as raw wool, sugar, and alcoholic beverages which are handled in large quantities and yield large revenues per entry. The number of entries of merchandise during the past two years is shown in the following table.

*Number of entries of merchandise, fiscal years 1943 and 1944*

Type	1943	1944	Percentage increase or decrease(—)
Consumption entries.....	315,632	389,962	23.5
Warehouse and rewarehouse entries.....	30,846	30,854	.1
Warehouse withdrawals.....	163,163	111,402	-31.7
Mail entries.....	300,728	332,027	10.4
Baggage entries.....	370,322	621,375	68.6
Informal entries.....	227,499	264,755	16.4
Appraisement entries.....	8,626	9,962	15.5
All others.....	* 505,131	485,957	-3.8
Total.....	* 1,921,917	2,249,274	17.0

\* Revised.

*Vessel, airplane, and highway traffic.*—For the third consecutive year border traffic increased. The only declines occurred in the number of undocumented vessels which were required to report to customs officers and in the number of passengers carried thereon and this was the least important means used for crossing international boundaries. The growth of the United States merchant marine during the year, the acceleration in vessel movements by reason of the operation of the lend-lease program, and the transportation of military personnel and supplies caused a larger number of documented vessels to be entered than for more than a decade; and the number of passengers arriving on such vessels also increased sharply over the previous year. Although there was only a small increase in the number of automobiles and passenger trains crossing the border, the number of passengers arriving by automobiles and busses and by passenger train increased by 13 percent and 49 percent, respectively. For the first time in seven years the number of ferry trips increased and the number of ferry passengers was also greater than in 1943. The following statement covers the leading classes of traffic for the last two years.

*Number of vehicles and persons entering the United States from abroad, fiscal years  
1943 and 1944*

Kind of entrant	1943	1944	Percentage increase or decrease (—)
<b>Vehicles:</b>			
Automobiles and busses.....	7,789,628	7,915,026	1.6
Documented vessels.....	* 29,931	39,529	32.0
Undocumented vessels.....	* 25,937	21,713	-16.3
Ferries.....	* 58,840	63,780	8.4
Passenger trains.....	33,680	34,079	1.2
Aircraft.....	17,216	25,865	50.2
Other vehicles.....	422,247	434,994	3.0
<b>Passengers by:</b>			
Automobiles and busses.....	23,622,645	26,742,425	13.2
Documented vessels.....	* 388,962	676,312	73.9
Undocumented vessels.....	* 161,305	67,900	-57.9
Ferries.....	* 1,416,910	1,721,506	21.5
Passenger trains.....	2,085,463	3,101,303	48.7
Aircraft.....	197,993	338,992	71.2
Other vehicles.....	2,254,539	2,886,262	28.0
<b>Pedestrians.....</b>	<b>11,971,485</b>	<b>14,566,267</b>	<b>21.7</b>
<b>Total passengers and pedestrians.....</b>	<b>42,099,302</b>	<b>50,100,967</b>	<b>19.1</b>

\* Revised.

Airplane traffic on international lines continued its expansion for the thirteenth consecutive year. The number of airplanes arriving from abroad was 50 percent larger and airplane passengers were 71 percent more numerous than during the preceding year. More than one-third of the planes and more than two-fifths of the passengers arrived at the port of Miami, Fla. Large increases in airplane traffic were also recorded at Fort Fairfield, Maine; Baltimore, Md.; Washington, D. C.; Seattle, Wash.; and Great Falls, Mont.; while smaller increases took place at Bangor, Maine; Burlington, Vt.; Buffalo and New York, N. Y.; Brownsville, Tex.; Bellingham, Wash.; Pembina, N. Dak.; Detroit, Mich.; and Fairbanks and Juneau, Alaska. International traffic into San Antonio, Tex., on the other hand, which had been substantial during the previous year was of little importance during 1944. The following table shows the number of airplanes and airplane passengers entering the United States during the past two fiscal years.

*Number of airplanes and airplane passengers entering the United States, fiscal years  
1943 and 1944*

District	Airplanes		Airplane passengers		Percentage increase or decrease (—)	
	1943	1944	1943	1944	Airplanes	Passengers
<b>Northern border:</b>						
Maine.....	1,143	2,806	9,895	22,714	145.5	129.6
Vermont.....	839	1,641	10,588	16,155	15.8	52.6
New York.....	1,088	1,291	14,593	16,145	18.7	10.6
Buffalo.....	568	614	2,648	4,775	8.1	80.3
Maryland.....	84	865	1,985	9,627	858.3	385.0
Michigan.....	784	953	8,097	11,596	21.6	43.2
Dakota.....	608	688	5,562	9,441	13.2	69.7
Montana.....	345	718	3,397	9,968	108.1	193.4
Washington.....	730	1,247	4,200	10,995	70.8	161.8
Other.....	148	131	480	1,303	-11.5	171.5
<b>Total.....</b>	<b>6,397</b>	<b>10,294</b>	<b>61,445</b>	<b>112,719</b>	<b>60.9</b>	<b>83.4</b>



*Number of airplanes and airplane passengers entering the United States, fiscal years  
1943 and 1944—Continued*

District	Airplanes		Airplane passengers		Percentage increase or decrease (—)	
	1943	1944	1943	1944	Airplanes	Passengers
Southern border:						
Los Angeles.....	348	362	4,151	5,360	4.0	29.1
El Paso.....	403	360	2,299	5,404	-10.7	155.1
Laredo.....	1,586	1,505	20,972	23,548	-5.1	12.3
Galveston.....	371	361	4,096	6,146	-2.7	50.0
New Orleans.....	11	218	187	5,070	1,881.8	2,611.2
Arizona.....	93	1	184	1	-98.9	-99.5
Total.....	2,812	2,807	31,889	45,529	-2	42.8
Florida.....	6,638	9,553	94,181	146,044	43.9	55.1
Alaska.....	922	1,146	4,992	6,463	24.3	29.5
Hawaii.....	417	2,065	5,486	28,237	362.0	414.7
Total.....	8,007	12,764	104,659	180,744	59.4	72.7
Grand total.....	17,216	25,865	197,993	338,992	50.2	71.2

*Drawback transactions.*—All types of drawback transactions continued to decline for the second successive year, the total drawback allowed amounting to \$10,424,184 or \$1,590,625 less than in 1943. More than 99 percent of the drawback allowed was drawback on merchandise manufactured from imported materials, of which the most important during 1944 were copper, raw wool, cane sugar, tungsten, lead, zinc, and aluminum. The number of drawback notices of intent and the number of drawback entries decreased by 33 and 41 percent, respectively. A comparison of these transactions during the past two years is presented in the following table.

*Drawback transactions, fiscal years 1943 and 1944*

Transaction	1943	1944	Percentage increase or decrease (—)
	<i>Number</i>	<i>Number</i>	
Drawback entries received.....	15,946	9,334	-41.5
Drawback notices of intent:			
Originating in the district.....	120,983	80,762	-33.3
Received from other districts.....	96,593	64,334	-33.4
Forwarded to other districts for disposition.....	89,706	61,382	-31.6
Certificates of manufacture received.....	7,376	4,779	-35.2
Import entries used in drawback liquidation.....	13,206	11,011	-16.6
Certificates of importation issued.....	4,270	3,113	-27.1
	<i>Amount</i>	<i>Amount</i>	
Drawback allowed:			
Manufactures from imported merchandise.....	\$11,954,454.18	\$10,402,553.88	-13.0
Duty paid on merchandise exported from continuous customs custody.....	22,763.42	10,403.42	-54.3
Merchandise which did not conform to sample or specifications and returned to customs custody and exported.....	35,929.85	11,227.16	-68.8
Salt used in curing fish.....	1,662.46		
Total drawback allowed.....	12,014,809.91	10,424,184.46	-13.2
Internal revenue refund on account of domestic alcohol.....	257,982.12	434,771.67	68.5
Total.....	12,272,792.03	10,858,956.13	-11.5

The following table shows the principal commodities on which drawback was paid during the past two years.

*Principal commodities on which drawback was paid, fiscal years 1943 and 1944*

Commodity	1943	1944	Percentage increase or decrease (—)
Copper	\$2,397,794.38	\$2,492,519.32	4.0
Wool	656,360.83	2,266,369.61	245.3
Sugar	3,221,663.16	1,034,269.56	-67.9
Tungsten ore	331,605.95	852,843.13	157.2
Lead ore, matte, pigs	865,333.88	607,223.47	-29.8
Zinc ore and blocks	371,615.98	598,229.08	61.0
Aluminum, crude	479,006.25	559,462.84	16.8
Tobacco, unmanufactured	150,242.57	137,444.54	-8.5
Butter	122,708.21	127,420.55	3.8
Bauxite ore	134,280.85	124,179.87	-7.5
Petroleum, crude	416,924.39	118,058.68	-71.7
Machinery and parts		108,224.57	
Manganese	264,480.14	91,951.97	-65.2
Carpets and rugs	50,316.03	89,957.29	78.8
Coal-tar products	649,003.56	85,825.98	-86.8
Flaxseed	163,358.42	85,147.15	-47.7
Nickel	218,627.20	65,080.94	-70.2
Raw cotton	196,412.42	93,197.08	-52.6
Iron and steel manufactures	143,312.63	33,400.06	-76.7
Tallow, inedible	102,470.81	69,135.09	-32.5

*Protests and appeals.*—A much smaller number of protests were filed during 1944 than during the previous year, continuing the decline evidenced since the start of the war. The number of appeals for reappraisalment also declined rather sharply as some of the difficulties encountered during preceding years by appraising officers in ascertaining the correct foreign value of imported merchandise were overcome. The following statement shows the progress of this work during the past two years.

*Number of protests and appeals, fiscal years 1943 and 1944*

Status	1943	1944	Percentage decrease
Protests:			
Filed with collectors by importers	10,882	6,762	37.9
Allowed by collectors	666	404	39.3
Denied by collectors and forwarded to customs court	14,072	7,644	45.7
Appeals for reappraisalment filed with collectors	4,548	2,944	35.3

\* Revised.

*Appraisalment.*—The importation of new classes or types of merchandise from countries of the Western Hemisphere increased during the past year even more than during the earlier war years. Prior to the war comparatively few classes of manufactured articles were brought from Mexico and South American countries, merchandise received from these countries being largely raw or unmanufactured. During 1944 manufactured articles arrived from these countries in increasing quantities so that the value of merchandise dutiable at ad valorem rates amounted to \$201,303,824 and ad valorem duties of \$35,687,613 were collected thereon, representing increases of 16 and 27 percent, respectively, over the totals for the preceding year. Owing, no doubt, to the demands of the American market, the

manufactured articles imported from Mexico and South America improved to such an extent in quality that they compared favorably with the same or similar articles previously imported from Europe.

Many problems arose during the past year as to the correct valuation of commodities imported for the first time as well as of articles which were improved in construction or finish. This was complicated both by difficulty in obtaining satisfactory information relative to market conditions in foreign countries and by the rather wide use of multiple currencies. As a result, merchandise covered by over 15,000 invoices remained unappraised at the end of the year. Legislation which will help solve this problem has been recommended.

Prices and values of imported merchandise have exhibited an upward trend for the past several years and this, moreover, was accompanied by price fluctuations as improvements or refinements in the construction of manufactured articles were made. Appraising officers, therefore, had an unusual amount of work to perform in order to keep posted as to the foreign and export values of imported merchandise.

Not only were commodities received from countries which did not previously export them to the United States, but because of war conditions certain classes of merchandise, which previously were imported at a limited number of ports, were received at many additional ports. These conditions necessitated the transfer of appraising personnel or the detail of trained personnel to meet the temporary diversion of cargo.

Differences in opinion as to the classification and value of imported merchandise, when not settled by the appraising officers, were referred to the Bureau for instructions. The Customs Information Exchange, which is a clearing house for customs information, played a large part in adjusting these differences.

The activities of the Customs Information Exchange are reflected by the following statistics.

Activity	1943	1944	Percentage increase or decrease (—)
	<i>Number</i>	<i>Number</i>	
Appraisers' reports of value or classification received.....	11,261	15,304	35.9
Differences in classification reported.....	854	1,457	70.6
Differences in value reported.....	1,637	2,542	55.3
Appraisement appeals reports received.....	946	618	-34.7
Changes in value circulated.....	321	224	-30.2
Reports and price lists affecting values circulated.....	667	7,026	953.4
Requests for foreign investigations.....	419	373	-11.0
Copies of foreign reports and price lists forwarded to interested appraising officers.....	11,508	15,253	32.5

*Laboratories.*—During the fiscal year 1944 the work load of the nine customs laboratories was significantly increased, the result not only of an increase in the number of samples tested but also of a change in the character of work performed. The number of samples tested in 1944 was 110,236 compared with 91,955<sup>r</sup> in the previous fiscal year and 100,652<sup>r</sup> in 1942.

In previous years approximately 50 percent of the samples received represented importations of sugar, the polariscopic tests of which lend themselves to routine analytic procedures. During the fiscal

<sup>r</sup> Revised.

year 1944 the sampling and testing of sugar importations were discontinued so that only about half as many sugar samples were analyzed as in the previous year. On the other hand, six times as many samples of alcoholic beverages were tested in 1944 as during the previous year. In 1943 liquor samples comprised only 8 percent of the total samples tested while during the past fiscal year they represented 40 percent of the total. Since alcoholic beverage tests require considerably more attention by the analyst, this change significantly increased the actual work load of the laboratories.

In addition to their regular customs work the customs laboratories undertook, as in the previous year, to test large numbers of samples for various war agencies, including the United States Maritime Commission, Lend-Lease Administration, Panama Canal, Army, Navy, Marine Corps, Metals Reserve Company, War Food Administration, Office of Price Administration, and others. The war agencies, in using customs laboratories for testing and other work, availed themselves of technically trained personnel to conduct their tests. In addition, both the United States Maritime Commission and the War Food Administration during the past year placed in customs laboratories 16 technically trained employees from their own rolls to conduct their tests under the supervision of customs chemists.

As a result of major research investigations designed to improve the analytic work of the laboratories, as well as customs' sampling of merchandise, new methods for sampling alcoholic beverages and sugar were developed. The special investigative section of the Baltimore laboratory also developed new and improved fingerprinting powders and devices for assisting investigators in surveillance work.

#### *Law enforcement activities*

*Seizures.*—For the third successive year more seizures for violations of the customs laws were made than during the preceding year. Every type of seizure except seizures of prohibited articles was more numerous than in 1943. The total value of goods seized in 1944 by customs officers, moreover, was more than three times as great as in the previous year. This increase was accounted for by the seizures of distilled liquor. As the result of the depletion in stocks of domestic distilled liquors, owing to the diversion of all domestic alcohol for the production of synthetic rubber and for other war purposes, there was a heavy demand for imported distilled liquors, much of which was sent to the United States by shippers who never previously entered the American market and were not familiar with the requirements as to the marking of such shipments to indicate the names of the consignee and the net content of the container. As a result, huge seizures had to be made for noncompliance with the customs laws and regulations of the United States. In most instances the violation was unintentional and the accrued forfeiture was remitted. It was impossible, however, to consider these cases as other than seizures. The quantity of liquor seized for such technical violations amounted to 2,398,982 gallons, valued at \$24,255,239.

A somewhat similar situation existed in the case of the cargo of vessels seized for a violation of the law which provided that no vessel of under 30 net tons burden may bring into the United States dutiable merchandise without a special license issued by the Secretary of the

Treasury, and that every vessel not exceeding 500 net tons from a foreign port with spirits, wines, or other alcoholic liquors on board have a certificate issued by a United States consular officer or other authorized person for the importation of such merchandise. The value of the cargo seized for such violations amounted to \$3,984,380 in 1944 and \$6,300,582 in the previous year. In most instances, these violations were due to shipping shortages occasioned by the war, which caused persons to engage in a trade with which they were unfamiliar, and although the seizures were actually made, the violation was not sufficiently flagrant to justify the actual forfeiture of the goods which was remitted either unconditionally or upon payment of a comparatively small sum. Exclusive of this type of seized goods, the value of merchandise seizures during the past year was \$1,178,644 compared with \$931,997 during the previous year. Increases in value were also recorded for colors, dyes, etc., textiles and textile materials, rubber manufactures, guns and ammunition, cigars, hardware, machinery parts, and livestock.

Excluding the technical seizures of distilled liquor, mentioned above, there were 6,505 seizures of distilled liquors in 1944, an increase of 67.1 percent over the previous year. These liquors aggregated 5,324 gallons and were valued at \$96,044; they represented increases of 120.6 and 211.6 percent, respectively, over 1943.

Narcotics seizures were more numerous than in 1943 but declined sharply in quantity and value. No seizures of major importance were made during the entire year. The largest seizure of smoking opium (140 ounces) was made at Douglas, Ariz.; the largest seizure of crude opium (128 ounces) was made at New Orleans, La.; and the largest seizure of marihuana (553 ounces) was made at Hidalgo, Tex. The quantity of seized narcotics during 1944 was 2,627 ounces of marihuana and 5,990 ounces of all other drugs as compared with 4,131 ounces of marihuana and 7,507 ounces of other drugs in the previous year. The number and principal types of seizures made for the violation of customs laws by the Customs Service and other governmental agencies during the past two years are shown in the following table.

*Seizures for violations of the customs laws, fiscal years 1943 and 1944*

Seizure	1943	1944	Percentage increase or decrease (—)
Merchandise: Number	5,816	9,449	62.5
Value:			
Jewelry, etc.	\$175,163	\$227,301	29.8
Wearing apparel and luggage	101,296	70,238	-30.7
Toilet articles and medicine	176,754	51,976	-70.6
Textiles and raw wool	16,224	97,505	501.0
Furs—skins and manufactured	16,946	33,851	99.8
Edibles and farm produce	63,637	56,730	-10.9
House furnishings, including rugs	107,864	27,558	-74.4
Guns and ammunition	2,055	6,851	233.4
Hardware	12,703	28,836	127.0
Cameras and other sport goods	17,644	3,289	-81.4
Stationery supplies and books	7,422	8,302	11.9
Cigars, etc.	4,446	11,574	160.3
Prohibited articles	4,810	13,261	175.7
Livestock (except horses)	2,363	1,945	-109.3
Colors, dyes, etc.	3,884	419,998	11,485.9
Lubricating and fuel oil	8,723	982	-88.7
Cargo of seized vessels	6,300,582	3,984,380	-36.8

*Seizures for violations of the customs laws, fiscal years 1943 and 1944—Continued*

Seizure	1943	1944	Percentage increase or decrease (—)
Merchandise—Continued.			
Value—Continued.			
Gasoline.....	\$100,150	\$12	—99.9
Chemicals.....	44,114	3,912	—91.1
Vehicle accessories.....	18,896	10,712	—43.3
Lumber.....	9,991	7,341	—26.5
Brick and granite.....	6,543	356	—94.6
Metal.....	9,404	10,381	10.4
Machinery parts.....	13,898	31,048	123.4
Rubber, excluding tires.....	2,892	14,953	417.0
Medical and scientific instruments.....	1,569	2,239	42.7
Miscellaneous.....	2,606	4,483	72.0
Total value.....	7,232,579	5,163,024	—28.6
Prohibited articles:			
Obscene, number.....	584	339	—42.0
Lottery, number.....	279	129	—53.8
Narcotics:			
Number.....	729	878	20.4
Value.....	\$137,587	\$75,546	—45.1
Liquors:			
Number.....	3,894	7,020	80.3
Quantity (gallons).....	2,413	2,404,306	99,539.7
Value.....	\$30,823	\$24,351,283	78,903.6
Boats, automobiles, airplanes, and horses: Value.....	\$2,378,611	\$662,758	—72.1
Grand total:			
Number.....	11,302	17,815	57.6
Value.....	\$9,779,600	\$30,252,611	209.3

In addition to the goods that were seized, claims aggregating \$11,247,736 were initiated by the Customs Service against importers in connection with various irregularities and frauds which did not necessitate a seizure or which were discovered after the goods had gone into consumption.

The following table presents the record of customs seizures classified according to the various agencies which were instrumental in apprehending violators of customs laws.

For the second successive year the number of automobiles seized was greater than during the previous year. This increase was due to

*Seizures for violations of customs laws, classified according to agencies participating, fiscal year 1944*

	Total		Narcotics <sup>2</sup>		Liquor		Lottery and obscene, number	Merchandise	
	Number <sup>1</sup>	Value	Number	Value	Number	Value		Number	Value
Customs Agency Service:									
Investigative Unit.....	757	\$1,920,940	18	\$1,845	53	\$1,616,871	-----	686	\$253,874
Enforcement Unit.....	555	196,995	60	6,155	112	30,007	1	382	70,094
Customs Service, exclusive of Agency Service.....	16,180	28,096,578	777	67,074	6,697	22,691,292	457	8,249	4,827,656
Total Customs Service.....	17,492	30,214,513	855	75,074	6,862	24,338,170	458	9,317	5,151,624
Immigration.....	119	24,433	16	314	52	7,583	-----	51	7,318
Customs Service assisted by other services.....	115	10,697	6	128	63	3,878	2	44	2,816
Other Federal and local officers.....	89	2,968	1	-----	43	1,652	8	37	1,266
Grand total.....	17,815	30,252,611	878	75,546	7,020	24,351,283	468	9,449	5,163,024

Footnotes at end of table.

*Seizures for violations of customs laws, classified according to agencies participating, fiscal year 1944—Continued*

	Total value boats, automobiles, airplanes, and horses	Boats		Automobiles		Airplanes		Horses	
		Number	Value	Number	Value	Number	Value	Number	Value
Customs Agency Service:									
Investigative Unit.....	\$48,350	4	\$22,575	39	\$24,685			4	\$1,090
Enforcement Unit.....	90,739	16	981	141	88,101			58	1,657
Customs Service, exclusive of Agency Service.....	510,556	28	377,736	224	129,415	2	\$3,300	5	105
Total Customs Service.....	649,645	48	401,292	404	242,201	2	3,300	67	2,852
Immigration.....	9,188	3	12	18	9,145			3	31
Customs Service assisted by other services.....	3,875	1	50	4	3,800			1	25
Other Federal and local officers.....	50			1	50				
Grand total.....	662,758	52	401,354	427	255,196	2	3,300	71	2,908

<sup>1</sup> Excludes number of boats, automobiles, and horses, as they were seized in connection with narcotics, etc., seizures.

<sup>2</sup> Other types of seizures of narcotics are described in the section under the Bureau of Narcotics.

the seizure of 160 cars and trucks for liquor and narcotic violations in 1944 compared with only 34 such seizures during the previous year. Fewer automobiles were seized for other than liquor and narcotic violations than during the previous year. The 1944 total includes only one automobile valued at \$50 seized by Secret Service officers and delivered to the Customs Service for forfeiture as compared with 8 automobiles valued at \$2,125 during the previous year.

The following table summarizes the number of boats, automobiles, etc., seized for customs violations during the past two years.

*Boats, automobiles, airplanes, and horses seized, fiscal years 1943 and 1944*

Seizure	For liquor violations		For narcotic violations		For other violations		Total	
	1943	1944	1943	1944	1943	1944	1943	1944
Boats:								
Number.....		7			50	45	50	52
Value.....		\$46,017			\$2,223,078	\$355,337	\$2,223,078	\$401,354
Automobiles:								
Number.....	4	104	30	56	300	267	334	427
Value.....	\$1,670	\$53,653	\$13,150	\$30,660	\$139,806	\$170,883	\$154,626	\$255,196
Airplanes:								
Number.....						2		2
Value.....						\$3,300		\$3,300
Horses:								
Number.....					29	71	29	71
Value.....					\$907	\$2,908	\$907	\$2,908
Total value...	\$1,670	\$99,670	\$13,150	\$30,660	\$2,363,791	\$532,428	\$2,378,611	\$662,758

During the year 234 seized automobiles and trucks were returned to petitioners because the violations were not sufficiently flagrant to warrant forfeiture. Of the 103 automobiles and trucks forfeited, 36 were assigned for official use either to the Customs Service or to some other governmental agency and 67 were sold at public auction.

In the course of their regular duties officers often apprehend violators of other than customs laws. During the year, 3,084 seizures

were made for other departments and agencies, of which 2,500 were made for the Department of Agriculture. There were 438 persons apprehended, of whom 408 were for the Immigration Service.

*Legal proceedings.*—As the result of narcotic seizures, 389 persons were presented for prosecution. Including cases pending from the previous year, those which were concluded resulted in 182 convictions and 73 acquittals. Prison sentences aggregating over 168 years and fines amounting to \$8,477 were imposed by the court on convicted offenders. In addition penalties aggregating \$36,480 were assessed against the masters of 133 vessels on which narcotic drugs were found concealed; many of these cases have not been concluded, but, including cases initiated prior to July 1, 1943, \$28,327 was collected from the masters of vessels.

*Fines, penalties, etc.*—Collections from fines, penalties, forfeitures, liquidated damages, and sale of seizures aggregated \$802,937 in 1944, an increase of \$182,436 over the previous year. The collections in 1944 were larger than during any of the 3 preceding years. False invoicing including undervaluation was the largest source of this type of collection for the past 4 years. Considerably greater collections were made in 1944 in connection with the attempted smuggling of distilled liquors than in either of the two previous years; the shortage in the supply of alcoholic beverages in this country was responsible for the larger number of cases of attempted liquor smuggling.

There have been substantial collections during each of the past three years for violations of the navigation laws. Such collections were formerly deposited to the credit of the Department of Commerce but with the transfer of the enforcement of many of the navigation functions to the Bureau of Customs on March 1, 1942, these became customs collections. During 1944, for the first time, customs collections were made for attempted violations of the Export Control Act. A number of these collections represent either fines imposed as a result of court action or the net proceeds of sale of seized property by the order of the court.

The following table presents the record of collections for violations of the customs laws for the fiscal years 1941 through 1944.

*Collections for violations of the customs laws, fiscal years 1941 through 1944*

Violation	1941	1942 *	1943 *	1944	Percentage increase or decrease (—) between 1943 and 1944
Fines, penalties and forfeitures:					
Undeclared articles in baggage of passengers arriving from abroad.....	\$71,897.46	\$62,094.02	\$64,397.30	\$128,389.44	99.4
False invoicing, including undervaluation.....	403,900.48	257,840.10	250,999.28	273,665.39	9.0
Liquor.....	46,493.33	8,693.36	10,297.27	45,188.42	338.8
Smuggling (including conspiracy).....	12,827.77	98,092.41	49,900.86	44,409.69	—11.0
Failure of masters of vessels to make complete manifest of imported merchandise.....	10,927.22	11,609.35	11,237.26	26,100.61	132.3
Unlading foreign merchandise without customs supervision.....	8,241.90	8,917.67	10,172.82	23,068.84	126.8
Narcotic:					
By masters of vessels on which violations occur.....	38,169.94	16,092.28	9,009.94	24,732.55	174.5
Other offenders.....	2,804.39	8,023.88	7,088.64	13,624.86	92.2
Irregularities in mail importations.....	4,181.25	3,284.11	4,095.16	2,482.50	—39.4
Failure to report arrival in United States.....	6,957.86	4,724.61	3,626.85	8,051.60	122.0

\* Revised.



*Collections for violations of the customs laws, fiscal years 1941 through 1944—Con.*

Violation	1941	1942 *	1943 *	1944	Percentage increase or decrease (—) between 1943 and 1944
Fines, penalties and forfeitures—Con.					
Navigation.....		\$12,650.15	\$22,863.94	\$27,955.00	22.3
Export Control Act.....				10,576.36	
Transportation of smuggled merchandise.....	\$2,615.00	2,297.24	9,753.12	12,213.25	25.2
Miscellaneous.....	3,027.84	21,968.01	46,236.31	28,866.67	—37.6
Total fines, penalties, and forfeitures.....	612,044.44	516,287.19	499,678.75	669,325.18	34.0
Irregularities in bonded importations (liquidated damages).....	106,997.11	110,916.76	99,835.53	109,641.34	.8
Net proceeds from sale of goods seized and forfeited for all violations.....	30,182.05	16,178.04	20,987.21	32,970.69	57.1
Total.....	749,223.60	643,381.99	620,501.49	802,937.21	29.4

\* Revised.

*Investigative and patrol activities.*—Despite the shortage of experienced personnel all types of investigations of alleged violations of customs laws were more numerous during 1944 than during the previous year with the single exception of touring permit investigations. Investigations of narcotic smuggling produced evidence of well organized conspiracy along the Mexican border to smuggle substantial quantities of opium and heroin into border ports for transportation to New York via San Francisco and Los Angeles. Joint investigations by customs and narcotic officers resulted in a number of important arrests and seizures and many of these investigations are still being conducted. Investigations of fraudulent undervaluation and false or erroneous invoicing and entry also increased substantially despite the paucity of European and Oriental information regarding market values, owing to the removal of foreign investigative officers from those areas as the result of the war. Most of the seizures or apprehensions resulting from attempts to undervalue imported merchandise were originated and developed by investigative officers.

Most of the types of investigations in matters not involving the violation of customs laws were also more numerous in 1944 than in 1943. An exception to this general trend appeared in the case of personnel investigations, either those involving derelictions or those of the mere routine character type. Many of the personnel investigations during 1943 would ordinarily have been performed by Civil Service investigators but were delegated to customs investigative officers in order to expedite the completion of the reports.

During recent years in addition to their regular customs duties investigative officers have participated in investigations for other agencies engaged in the war effort. Included in such investigations during 1944 were 3,105 investigations for Export Control and 43 for Foreign Funds Control.

A partial summary of the activity of the investigative officers of the Customs Service during the past two years is presented in the following table.

*Investigative and patrol activities, fiscal years 1943 and 1944*

Activity	1943	1944	Percentage increase or decrease (—)
	<i>Number</i>	<i>Number</i>	
Investigations of violations of customs laws:			
Undervaluation.....	674	997	47.9
Marking violations.....	104	198	90.4
Baggage violations.....	1,104	2,578	133.5
Diamond and jewelry smuggling.....	636	732	15.1
Narcotic smuggling.....	752	1,001	33.1
Other smuggling.....	1,726	2,096	21.4
Touring permits.....	241	239	— .8
Other investigations:			
Alleged erroneous customs procedure.....	159	150	—5.7
Drawback.....	863	1,075	24.6
Classification and market value.....	481	897	86.5
Applications for customhouse brokers' licenses.....	85	75	—11.8
Applications for bonded truckmen's licenses.....	45	49	8.9
Petitions for relief from additional duty.....	354	828	133.9
Personnel.....	1,712	762	—55.5
Navigation violations.....	253	466	84.2
Pilferage of merchandise.....	202	360	78.2
Miscellaneous.....	2,725	2,157	—20.8
Examinations of customhouse brokers' records.....	193	618	220.2
Cases of cooperation with other agencies.....	7,258	5,425	—25.3

*Miscellaneous*

*War activities.*—The special activities of customs officers, growing out of the prosecution of the war, continued throughout the past year. These activities include the handling of communications or correspondence coming into or going out of this country by courier or otherwise than in the regular course of the mails; the regulation of imports and exports of merchandise by various governmental agencies for use in national defense or belligerent operations; the disposition of property salvaged from torpedoed or wrecked vessels; the admission into the United States free of duty during the war of such special categories of merchandise as effects of persons in the Government service or persons evacuated to this country by Government order, articles for members of the armed forces of the United Nations or for enemy prisoners of war, and articles sent home as gifts by our soldiers and sailors abroad; the enforcement of export licensing requirements for strategic materials; the control of shipments to blocked nationals; and collaboration in the enforcement of export control, alien property control, trading with the enemy, foreign funds control, and other war measures.

Customs officers continued to give assistance to various military and civilian governmental agencies in cases involving war problems touching upon the field of customs jurisdiction and maintained close cooperation with the Office of Price Administration in connection with the importation of rationed articles, and the lading of rationed ships' stores on outgoing vessels. Special procedures were continued for granting vessel clearances in the offices of collectors of customs to guard against the leakage of ship-movement information to unauthorized persons.

Among the new war problems which confronted the Customs Service in 1944 were the extension by Presidential proclamation of certain statutory time limits regarding importations; the customs status of enemy aliens and their property; and the application of the Soldiers' and Sailors' Civil Relief Act to imported merchandise in customs custody owned by members of the armed forces.

The Secretary of the Treasury, pursuant to the authority contained in the Second War Powers Act, 1942, issued a number of orders waiving compliance with certain provisions of the navigation laws. The majority of these orders were given a confidential status because of their close relation to the war effort and the special nature of their contents, but some, of more general applicability, have been published. Among the more important orders in the latter class were those (1) permitting Canadian halibut fishing vessels to land their catches of halibut in Alaska for a limited time in 1944, as was permitted during the previous year and (2) permitting the omission of the tonnage of enclosed shelter-deckspace from the gross tonnage of certain vessels.

The simplified procedure for the admeasurement of vessels of the so-called Liberty Ship class by the use of standardized figures for vessels of this class, all of which are nearly identical in design and arrangement, was continued during 1944 and was extended to certain other classes of vessels. A tolerance of three-tenths of one percent in the gross and net tonnages continued to be allowed in order that small and unimportant variations in the use of spaces on individual vessels might be disregarded in the interest of speed and economy in measurement.

*Publications.*—The increase in the number of vessels of the United States, by building or otherwise, is reported in the annual publication of the Bureau of Customs entitled Merchant Marine Statistics. A list of such vessels, describing each one in detail, was prepared and published in the annual Merchant Vessels of the United States. However, because of the nature of the information contained therein, the distribution of these publications has been carefully restricted.

*Overtime.*—A change in the law regarding reimbursable overtime services, which will increase considerably the cost of operation of the customs service, became effective through the enactment of Public Law 328 on June 3, 1944. This law was the result of the decision of the Supreme Court on January 3, 1944, in the case of *United States vs. Howard C. Myers*, in which it was ruled that extra compensation under the Customs Overtime Act as amended (19 U. S. C. 267) is payable to customs employees for work on Sundays and holidays even though such services are performed within the employees' regular tour of duty, and that toll bridges and toll tunnels are subject to the provisions of the Customs Overtime Act.

The Myers case originated in suits filed in the United States Court of Claims in September and October 1937 by Howard C. Myers and several other customs inspectors at Detroit for overtime compensation for work performed on Sundays, holidays, and at night during the preceding six years even though compensatory time off had been allowed for Sunday and holiday work. At Detroit, as at many other places along the land border, regular tours of duty were long ago established as a convenience to the traveling public and protection to the revenue, so that customs officers would be present to perform their duties at any hours when there was traffic over highways, across bridges, through tunnels, by ferries, or on passenger trains. The establishment of such tours of duty provided that customs officers be on duty only the specified number of hours per day and per week but required that many of them be on duty at other times than between 8 a. m. and 5 p. m. on week days.

The decision of the Supreme Court denied to the employees any extra compensation for service performed on regular tours of duty between 5 p. m. and 8 a. m. on week days but held that extra compensation was payable for services performed during any part of the 24 hours on Sundays and holidays even though such services were performed within the employees' regular tours of duty. The Supreme Court also held that operators of toll bridges and toll tunnels came under the Customs Overtime Act, a broadening of the previous interpretation of this act, the reimbursable provisions of which had been considered applicable only to the owners of vehicles, vessels, or other conveyances and only when a special permit was issued by the collector calling for work to be performed by a customs officer in excess of his regular days' work.

Rather than repay to the Government the overtime compensation, some of the operators of bridges along the border closed their facilities on Sundays and holidays causing considerable hardship to the traveling public, until the passage of Public Law 328 relieved them of the liability for this extra expense. Under the provisions of this act, customs officers and employees performing inspectional services on Sundays and holidays in connection with traffic over, on, or through an international highway, tunnel, bridge, or ferry (as defined in the act) shall be paid by the United States in accordance with existing law as interpreted by the Supreme Court in the Myers case without claiming reimbursement from any source.

*Foreign Trade Zone.*—Most of the operations of the Foreign Trade Zone in New York City were removed on July 23, 1943, from the warehouses at Stapleton to four North River piers, because of the need of the War Department for the Staten Island facilities. Although many of the commodities handled in the zone never enter the commerce of the United States, the zone facilities being used to a large extent for the storage and manipulation of merchandise during the process of its transportation from one foreign country to another, considerable revenue has been collected from goods removed from the zone and brought into customs territory during each fiscal year since 1937 when the zone was opened. With the single exception of 1942, each successive year has seen increased customs collections as the result of the zone operations. Duties and internal revenue collections in 1944 aggregated almost \$18,500,000, owing to the large quantities of bulk liquors entered from the zone into customs territory, an increase of 246.8 percent over the collections in the previous year.

*Training of employees.*—Training through correspondence courses was maintained although the number of ports of entry holding local classes and discussion groups continued to decrease, because of reduction of personnel, difficulty in transportation, overtime work, etc., resulting from war-time conditions. Instruction classes were conducted at twenty-four ports of entry with an average of fifteen customs officers and employees in attendance at each class. Discussion groups were conducted at twenty-five additional ports of entry and customs stations where the number of regularly assigned personnel was too small to warrant formal classes. A total of 430 instruction classes and 341 discussion groups were conducted during the year.

*Changes in ports and stations.*—The port of entry at Westby, Mont., and the customs station at Kelley Island, Ohio, were discon-

tinued during the year. No new port of entry was established, but one new station was designated at Marblehead-Lakeside, Ohio.

*Cost of administration.*—The total revenues collected by the Customs Service, including collections for other departments and Puerto Rican collections other than duties, amounted to \$727,251,316 as compared with \$414,191,247 in 1943, an increase of 75.6 percent. Collections in 1944 were the largest in customs history, because of the greatly augmented internal revenue taxes collected by customs officers on imported liquor. Such collections amounted to \$292,019,928 in 1944 and \$85,019,387 in 1943, an increase of 243.5 percent.

The expenses during the year were \$25,044,572, an increase of \$1,662,932 over 1943, due to the payment of war overtime for the entire 12 months of the past fiscal year, whereas these payments were made during only 6 months of the previous year. The cost to collect \$100 was \$3.44 in 1944 and \$5.74 in 1943.

### BUREAU OF ENGRAVING AND PRINTING

The Bureau of Engraving and Printing designs, engraves, and prints currency, securities, stamps, and various other official documents and forms. During the fiscal year 1944 the deliveries of finished work amounted to 919,918,823 sheets, an increase of 65,378,303 sheets over 1943 or 7.65 percent.

A comparative statement of deliveries of finished work in the fiscal years 1943 and 1944 follows.

Class	Sheets		Face value, 1944
	1943	1944	
<b>Currency:</b>			
United States notes.....	3, 870, 000	4, 630, 000	\$163, 080, 000
Silver certificates.....	96, 464, 000	64, 645, 000	853, 740, 000
Overprinted "Hawaii".....	751, 000	1, 920, 000	23, 040, 000
Federal Reserve notes.....	49, 668, 700	58, 018, 250	9, 610, 200, 000
Overprinted "Hawaii".....	543, 333	1, 409, 667	187, 010, 000
Specimens.....		1	
<b>Total.....</b>	<b>151, 297, 033</b>	<b>130, 622, 918</b>	<b>10, 843, 100, 000</b>
<b>Bonds, notes, bills, certificates, etc.:</b>			
<b>Bonds:</b>			
Postal savings.....	800	1, 050	762, 000
Treasury.....	2, 492, 622	4, 466, 754	68, 152, 123, 400
United States savings.....	2, 765, 000	6, 280, 000	8, 070, 500, 000
United States war savings.....	269, 179, 000	376, 212, 000	20, 052, 775, 000
Depository.....		101, 000	
Excess profits tax refund.....		51, 000	
Consolidated Federal farm loan for the Federal land banks.....	1, 350	350	1, 520, 000
Farm loan.....	1, 700	45	330, 000
Federal Farm Mortgage Corporation.....	10, 650	4, 000	40, 000, 000
Home Owners' Loan Corporation.....	80	1, 400	795, 000, 000
Insular—Puerto Rican.....	5, 314	43	18, 000
Notes—Treasury.....	3, 686, 325	2, 123, 050	49, 021, 500, 000
Treasury bills.....	141, 850	171, 000	96, 239, 000, 000
<b>Certificates:</b>			
Indebtedness.....	248, 650	432, 300	69, 271, 800, 000
Cuban silver.....	992, 333	1, 097, 133	44, 375, 600
Philippine treasury.....		18, 000	500, 000
<b>Debentures:</b>			
Consolidated collateral trust for the Federal intermediate credit banks.....	33, 550	35, 400	625, 000, 000
Consolidated for Federal home loan banks.....	6, 700	7, 800	365, 000, 000
War housing insurance fund, National Housing Agency, Federal Housing Administration.....	8, 100	8, 000	17, 650, 000
Interim transfer certificates for postal savings bonds.....		1, 000	

Class	Sheets		Face value, 1944
	1943	1944	
Bonds, notes, bills, certificates, etc.—Continued.			
Specimens:			
Bonds.....	88	39	
Notes.....	3	3	
Certificates.....	6	2	
Debentures.....	3	1	
Interim receipts.....	4		
Total.....	279,574,128	391,013,970	\$312,697,854,000
	Sheets		Number of stamps, etc. 1944
	1943	1944	
Stamps:			
Customs.....	108,000	331,473	4,097,300
Internal revenue.....	152,638,615	140,994,212	16,325,937,858
District of Columbia beverage tax paid.....	230,576	160,515	32,103,000
Federal migratory-bird hunting.....	25,850	25,046	2,805,152
Puerto Rican revenue.....	1,693,585	1,261,200	92,241,000
Virgin Islands revenue.....	620		
Specimens—internal revenue.....	111	168	2,216
Postage:			
United States.....	189,706,354	195,511,971	19,306,839,697
United States, surcharged "Canal Zone".....		7,350	735,000
Canal Zone.....	43,510	50,300	2,825,000
Philippine.....	9,763		
Specimens, United States.....	25	85	4,248
Postal savings.....	8,391,168	94,966	2,374,150
War savings.....	18,570,714	16,695,883	1,810,037,750
Specimens.....	52		
Total.....	371,418,943	355,133,169	37,580,002,371
Miscellaneous:			
Checks.....	42,453,208	33,846,497	169,206,485
Warrants.....	52,084	53,806	250,103
Commissions.....	260,503	431,883	228,791
Certificates.....	4,791,271	5,769,534	22,005,947
Drafts.....	27,250	5,284	11,818
Transportation requests.....	2,294,077	2,844,405	14,222,025
Nontransferable food order and nontransferable surplus-food order stamps.....	1,779,500		
Other miscellaneous.....	556,268	197,278	1,761,769
Specimens.....	15,071	15	75
Blank paper, including experimental.....	21,184	64	
Total.....	52,250,416	43,148,766	207,677,013
Grand total.....	854,540,520	919,918,823	

Dies were engraved for the following new issues of postage stamps.

Issue	Denomination (cents)
Centenary of the Telegraph, Series 1944.....	3
One-hundred-twenty-fifth Anniversary of the First Steamship to Cross the Atlantic, Series 1944.....	3
Seventy-fifth Anniversary of the Completion of the First Transcontinental Railroad, Series 1944.....	3
Air Mail, Series 1944.....	8

New dies and plates were prepared for various classes of bonds, notes, revenue stamps, and other printed work. In August 1943, changes were made in the size and design of Series E war savings bonds. These bonds were reduced to one-half their former size which permitted the engraved plates to carry eight subjects instead of four, and were identified as 1943 design. Subsequently, similar modifications were made with respect to Series F and Series G savings bonds. Printing was begun the latter part of the year on Series E \$10 bonds, a new denomination which was made available to the armed forces. The production of war savings bonds was increased from 1,035,000 bonds per day at the beginning of the year to 1,600,000 per day in October 1943, the highest peak since the introduction of this type of security. Total deliveries for the year for Series E, F, and G combined amounted to 382,492,000 bonds, with a face value of \$28,123,275,000.

The production for the War Department of allied military lira currency and Italian postage stamps, the printing of which was begun in the previous fiscal year, was continued. Additional orders were received for the lira notes and to meet the delivery requirements it was necessary to solicit the services of a commercial firm to assist in the printing of this work. A contract was negotiated with the Forbes Lithograph Manufacturing Company, Boston, Mass., to do the preliminary printing. The offset-printed stock was shipped to the Bureau for overprinting the denomination, series, name of country, and serial numbers. Representatives of the Bureau were stationed at the Forbes plant to observe the progress of the work and to maintain appropriate accounting controls with respect to the stock in process. A complete survey of the plant was made by the United States Secret Service, and agents of the Service were detailed for the duration of the contract to insure adequate protection facilities.

Other special types of currencies produced by the offset process under similar arrangements with the Forbes Lithograph Manufacturing Company included supplemental French franc currency and allied military mark currency ordered by the War Department, and Committee French franc currency ordered by the French Committee of National Liberation. The designs and original engravings for these special issues were prepared by the Bureau. All of the printing operations on the two classes of franc notes were accomplished by the Forbes Company, and likewise for the mark notes except that the latter currency was shipped to the Bureau for numbering, separating into single notes, and packing. Supplemental French postage stamps were also produced by the Bureau for the War Department.

The number of employees on the pay roll at the beginning of the fiscal year was 7,818. During the year, 1,933 employees were separated from the service and 1,436 were appointed, making a total of 7,321 on June 30, 1944.

Expenditures amounted to \$27,882,504.23 an increase of \$6,274,-052.07 over the previous year, or 29.04 percent. The following statement shows the appropriations, reimbursements, and expenditures for the fiscal years 1943 and 1944.

	1943	1944	Increase or decrease (—)
Appropriations:			
Salaries and expenses .....	\$10,327,168.00	\$9,852,000.00	—\$475,168.00
Printing and binding .....	5,500.00	5,500.00	—
Reimbursements to appropriations from other bureaus for work completed:			
Salaries and expenses <sup>1</sup> .....	12,271,312.16	19,229,773.04	6,958,460.88
Printing and binding .....	3,444.07	5,500.00	2,055.93
Total .....	22,607,424.23	29,092,773.04	6,485,348.81
Expenditures:			
Salaries and expenses <sup>2</sup> .....	21,599,660.70	27,873,494.88	6,273,834.18
Printing and binding .....	8,791.46	9,009.35	217.89
Total .....	21,608,452.16	27,882,504.23	6,274,052.07
Unexpended balance .....	998,972.07	1,210,268.81	211,296.74

<sup>1</sup> Additional amounts of \$174 in 1943 and \$74.50 in 1944 received from employees for lost locker keys, locks, package booth checks, and badges; \$43.44 received in 1944 from The Standard Surety and Casualty Company of New York for damages to Government property and \$50 received from various firms in 1944 for empty drums returned by the Bureau of Engraving and Printing were deposited to the credit of the Treasurer of the United States as miscellaneous receipts; and amounts received from reimbursements for jury service by employees—\$100.22 for 1943 and \$116 for 1944—were deposited in the general fund receipt account.

<sup>2</sup> Includes \$11,300 transferred to the Bureau of Standards for research work in each of the fiscal years 1943 and 1944, and \$80,000 and \$100,000 transferred to salaries and expenses, guard force, Treasury Department, for service rendered in connection with the protection of currency, bonds, stamps, and other papers of value in the fiscal years 1943 and 1944, respectively. The amounts of \$719,361.97 and \$706,483.75 were deducted from the salaries of employees for retirement and disability fund; and the amounts of \$1,343,619.75 and \$1,620,244.75 were deducted through the pay-roll allotment plan for the purchase of war savings bonds in 1943 and 1944, respectively. The amounts of \$360,590 for Victory tax withheld in 1943 (Jan. 1, 1943, through June 30, 1943) and \$2,082,210.48 for Federal tax withheld in 1944 (including \$434.40 for adjustments made in the fiscal year 1944 for Victory tax withheld in the period prior to July 1, 1943) were deposited with the Collector of Internal Revenue, Baltimore, Md.

## FOREIGN FUNDS CONTROL

Under section 5 (b) of the Trading with the Enemy Act, as amended, and Executive Orders Nos. 8389, as amended, and 9193, the Treasury Department, through Foreign Funds Control, formulates and administers controls over foreign-owned property and regulates foreign exchange and international financial transactions. In addition it administers the wartime restrictions on trade with the enemy under section 3 (a) of the act. A discussion of Foreign Funds Control activities during the year will be found on page 126 of this report.

## BUREAU OF INTERNAL REVENUE \*

The Bureau of Internal Revenue is responsible for the assessment and collection of all internal revenue taxes and other miscellaneous taxes and for the enforcement of the internal revenue laws.

### General

*Internal revenue collections.*—During the fiscal year 1944 internal revenue collections, including trust fund collections, totaled \$40,122 millions, an increase of \$17,750 millions over collections for 1943. The total amount collected included back income taxes of \$705 millions, which is approximately \$148 millions more than back income tax collections for 1943.

Miscellaneous internal revenue collections amounted to \$5,356 millions, which is an increase of \$782 millions over collections for 1943. The largest increases were as follows: Capital stock tax,

\* More detailed information concerning the activities of the Bureau of Internal Revenue will be found in the annual report of the Commissioner of Internal Revenue.



\$52 millions; estate tax, \$59 millions; liquor taxes, \$195 millions; tobacco taxes, \$64 millions; and retailers' excise taxes, \$60 millions. Other miscellaneous internal revenue tax collections increased \$351 millions.

Employment tax collections totaled \$1,738 millions, an increase of \$240 millions over the preceding year. Total collections under the Federal Insurance Contributions Act were \$1,290 millions; collections under the Federal Unemployment Tax Act, \$183 millions; and collections of carriers taxes, \$265 millions.

Total collections of internal revenue during the fiscal years 1943 and 1944 are shown in the following summary, classified according to the administrative organization responsible for the tax. A detailed statement of collections appears in table 7, page 563 of this report.

*Summary of internal revenue collections, fiscal years 1943 and 1944*

[On basis of reports of collections, see p. 520]

Administrative unit	1943	1944	Increase
Income Tax Unit <sup>1</sup> .....	\$16,298,888,091.56	\$33,027,801,888.19	\$16,728,913,796.63
Alcohol Tax Unit.....	1,423,646,456.44	1,618,775,155.93	195,128,699.49
Miscellaneous Tax Unit.....	3,150,146,914.96	3,736,810,752.76	586,663,837.80
Accounts and Collections Unit (employment tax activities).....	1,498,705,033.59	1,738,372,435.89	239,667,402.30
<b>Total collections</b> .....	<b>22,371,386,496.55</b>	<b>40,121,760,232.77</b>	<b>17,750,373,736.22</b>

<sup>1</sup> Includes collections from the tax on unjust enrichment, and amounts withheld by employers.

*Refunds, drawbacks, and stamp redemptions.*—During the year refunds of tax collections, together with interest, were made from the following appropriations.

Refunding internal revenue collections, 1944 and prior years.....	\$150,822,691.71
Refunds and payments of processing and related taxes, 1939-44.....	428,220.92

Total, interest included..... 151,250,912.63

The following is a summary of the refunds, showing the number of schedules and claims, the amounts of refunds and repayments allowed, and the total amount refunded, including interest, on each class of tax during the fiscal year 1944, with comparison of the totals for 1943.

*Number of schedules and claims, amount of refunds and repayments, and total refunds, repayments, and interest, by class of tax, fiscal year 1944 and totals for 1943*

Class of tax	Number of schedules	Number of claims	Amount of refunds and repayments	Total refunds, repayments, and interest
Bituminous coal.....	21	140	\$17,387.57	\$18,943.10
Capital stock.....	63	1,359	518,021.09	614,425.48
Carriers taxes.....	32	104	45,619.30	50,795.83
Distilled spirits.....	601	17,076	13,317,781.92	13,338,960.74
Distilled spirits stamps redeemed.....	66	1,350	259,881.44	260,688.83
Distilled spirits drawbacks.....		1,198	564,178.28	564,178.28
Estate.....	1,239	1,883	4,012,731.10	4,554,590.82
Gift.....	339	417	507,651.02	563,373.50
Income.....	25,962	1,993,016	111,807,308.49	120,154,109.14
Miscellaneous.....	164	3,889	906,007.35	1,032,270.21
Miscellaneous stamps redeemed.....	181	9,156	333,554.34	345,215.99
Narcotics.....	29	217	331.35	331.35
Narcotic stamps redeemed.....	41	785	1,507.10	1,507.10
Sales.....	84	1,642	2,065,657.43	2,222,897.61
Federal Insurance Contributions Act.....	1,886	69,865	1,850,592.93	1,969,194.12
Federal Unemployment Tax Act.....	2,718	13,603	2,142,178.12	2,205,446.97
Sugar.....	20	439	563,683.53	563,712.99
Tobacco.....	24	518	29,717.10	30,831.73

*Number of schedules and claims, amount of refunds and repayments, and total refunds, repayments, and interest, by class of tax, fiscal year 1944 and totals for 1943—Con.*

Class of tax	Number of schedules	Number of claims	Amount of refunds and repayments	Total refunds, repayments, and interest
Tobacco stamps redeemed.....	13	1,894	\$2,328,011.14	\$2,328,011.14
Tobacco drawbacks.....	9	23	3,206.75	3,206.75
Total income and miscellaneous internal revenue.....	33,495	2,118,604	141,305,010.35	150,822,691.71
Agricultural adjustment.....	37	44	333,734.77	428,220.92
Grand total, fiscal year 1944.....	33,532	2,118,648	141,638,745.12	151,250,912.63
Fiscal year 1943:				
Income and miscellaneous internal revenue.....	13,420	253,993	48,754,550.05	56,965,127.05
Agricultural adjustment.....	153	220	6,061,292.99	6,752,955.69
Grand total, fiscal year 1943.....	13,573	254,213	54,815,843.04	63,718,082.74

NOTE.—The figures in this table will not agree with those given in later sections of this report for the reason that the amounts shown in the later sections relate to claims disposed of by the units, whereas this table shows actual payments made.

<sup>1</sup> Excluding refunds from trust funds set up for Philippine coconut oil, Philippine trust fund, and Puerto Rico trust fund. The amounts refunded from these accounts were for 1943, \$135,581.12 (coconut oil), \$394.67 (Philippine), and \$1,004.24 (Puerto Rico); and for 1944, \$36,731.79 (coconut oil), \$37.76 (Philippine), and \$35,282.24 (Puerto Rico).

If the tax refunds made during the fiscal year 1944 on account of erroneous or illegal collections of internal revenue and agricultural adjustment taxes and payments for export drawbacks, redemption of stamps, and refunds from trust funds, amounting to \$151,322,964, were deducted from the gross collections of \$40,121,760,233, the net collections for the fiscal year 1944 would be \$39,970,437,269. The gross collections, however, are used for comparative purposes in these reports.

*Additional assessments.*—The additional assessments resulting from office audits and field investigations made during the fiscal years 1943 and 1944 were as follows:

*Additional assessments, fiscal years 1943 and 1944, by class of tax*

Class of tax	1943	1944
Income <sup>1</sup> .....	\$422,438,293.00	\$563,237,111.00
Miscellaneous internal revenue:		
Estate.....	64,516,795.73	94,844,631.86
Gift.....	7,790,308.76	7,539,976.18
Capital stock.....	804,500.44	710,949.41
Sales.....	3,747,350.11	3,327,701.03
Liquors.....	3,513,785.98	3,020,730.09
Miscellaneous.....	21,098,275.99	25,850,078.20
Miscellaneous excise.....	1,669,334.07	1,585,384.80
Tobacco.....	1,111,399.51	583,817.45
Coal.....	351,761.99	59,574.52
Sugar.....	7,811.38	74.82
Total miscellaneous internal revenue.....	104,611,323.96	137,522,918.36
Employment taxes.....	39,008,864.59	30,214,028.82
Grand total.....	566,058,481.55	730,974,058.18

<sup>1</sup> Includes assessments of \$15,999,136 for 1943 and \$17,531,144 for 1944 made under the jeopardy provisions of sec. 279 of the Revenue Act of 1926 and sec. 273 of subsequent revenue acts.

*Cost of administration.*—The amount of \$133,821,735 was appropriated for the fiscal year 1944 for salaries and expenses in connection with the assessment and collection of internal revenue taxes and the

administration of the internal revenue laws. The Bureau transferred the sum of \$525,000 to the Post Office Department for expenses in connection with the sale of motor vehicle use stamps; and the expenditures and obligations against the Bureau appropriation were \$129,416,848, leaving an unobligated balance of \$3,879,887. The expenditures do not include amounts expended for refunding taxes illegally or erroneously collected and for redeeming stamps. The cost of collecting \$39,991,717,001 (excluding \$130,043,232 collected by post offices) during the year was \$0.32 per \$100, compared with \$0.44 per \$100 for 1943.

### *Income Tax Unit*

*General functions.*—The Income Tax Unit is charged with the administration of the internal revenue laws with reference to taxes on income, excess profits of corporations, and refunds of certain processing taxes, and the laws limiting profits on certain Army and Navy contracts. The administration includes the preparation of regulations and interpretative and procedural rulings and instructions regarding such laws and the examination and adjustment of returns filed thereunder, through office audits and field investigations, for the purpose of determining the correct tax liability as required by law.

*Returns filed.*—The number of all types of income and excess profits tax returns filed during the fiscal year 1944 on which tax was reported and assessed was 48,200,952 as compared with 30,439,764 returns filed in the fiscal year 1943,<sup>1</sup> an increase of 17,761,188. In addition, 4,412,470<sup>1</sup> returns were filed during the fiscal year 1944 showing no income subject to tax, compared with 10,067,550 such returns for the preceding fiscal year. The total number of income tax returns filed by individuals was 43,069,031, which represents an increase of 16.2 percent over the number received in the preceding year.

*Examination of income and excess profits tax returns upon receipt by the Washington office.*—Of the 52,613,422<sup>1</sup> income and excess profits tax returns filed during the fiscal year 1944, 2,451,638 returns having the largest tax liabilities were forwarded to the Washington office of the Income Tax Unit. Upon initial review of the returns forwarded to Washington (including those on hand in Washington on July 1, 1943, relating to previous taxable years), 1,415,446 were closed and 473,166 were found to require further consideration and investigation by the field offices of the Income Tax Unit. By reason of the forgiveness features contained in the Current Tax Payment Act of 1943, it was deemed advisable to make a joint audit of individual income tax returns for the 1942 and 1943 tax years in cases where an investigation of one of these years is found necessary. However, the 1942 returns on which the liability was discharged under such act are excluded from the field production figures shown herein.

*Investigation of tax returns by the field offices.*—The number of income and excess profits tax returns investigated during the year was 466,900 as compared with 585,243 for the previous year. These figures include all returns for which the examiners' reports have been submitted, whether or not the cases have been finally released by reviewing officers.

<sup>1</sup> Included in the 1944 figures are returns forwarded to the Processing Division which are estimated to consist of 16,125,952 taxable (nonassessable) returns and 3,160,998 nontaxable returns. Included for each fiscal year are also the delinquent returns filed during the respective year relating to prior years.

Estate and gift tax returns investigated by field offices during the year numbered 17,338 as compared with 18,101 for the previous year.

In the course of the excess profits tax investigations conducted during the year, consideration was given to a substantial number of applications for excess profits tax relief, Form 991, filed by corporations claiming the benefits of section 722 of the Internal Revenue Code. As of June 30, 1944, a total of 29,507 applications involving tax reduction claims of \$2,575,499,587 had been received in the field offices for investigation. Action was completed during the year on 3,203 applications wherein the tax reduction sought amounted to \$83,828,685.

The total number of income and excess profits tax returns on which action was completed by the field offices during the year was 1,137,257, including returns which required investigation as well as returns for which investigations were deemed unnecessary. The total consisted of 602,769 corporation, individual, and taxable fiduciary income tax returns, 455,919 partnership and nontaxable fiduciary returns, and 78,569 excess profits tax returns.

Of the 602,769 income tax returns on which action was completed, deficiency adjustments were recommended in 214,410 returns. This compares with a total of 1,182,595 income tax returns for the preceding fiscal year with deficiency adjustments numbering 278,106. Deficiencies were recommended in 18,878 of the excess profits tax returns acted upon in 1944 as against 14,019 in 1943.

In addition, the field offices completed their work on 20,350 estate and gift tax returns during 1944, recommending deficiency adjustments for 11,518 of this number, which compares with 22,255 such returns involving 11,622 deficiency adjustments acted upon in the preceding year.

Petitions to The Tax Court of the United States filed during 1944 involved 5,127 income and excess profits tax returns with proposed tax deficiencies of \$72,599,451, as compared with 5,283 returns and tax deficiencies of \$92,887,169 for 1943.

*Revenue results of investigations of income and excess profits tax returns.*—The total amount of additional tax, interest, and penalty assessed during 1944 was \$449,230,715, the largest amount of any fiscal year on record, of which \$298,806,579 applied to income tax returns and \$150,424,136 to excess profits tax returns. Excluding jeopardy and duplicate items,<sup>2</sup> the amounts for these two classes of taxes were \$282,442,243 and \$145,261,457, respectively.

*Stage at which additional tax was assessed.*—The effectiveness of the settlement authority vested in field officers is evidenced by the high proportion of cases closed by agreements with taxpayers, without the issuance of formal deficiency notices which are otherwise required by law and from which taxpayers may appeal to The Tax Court of the United States. Of the total number of 251,695 income and excess profits tax returns on which regular additional assessments (including duplicate-regular) were made, 237,413 additional assessments, or 94.3 percent, were made by agreement with the taxpayers without the necessity of a statutory notice, as compared with 95.6 percent in the fiscal year 1943. Of the total regular additional tax assessed

<sup>2</sup> Jeopardy assessments include all immediate assessments made under provisions of sections 146, 273, and 274 of the Internal Revenue Code. Duplicate assessments occur in cases involving transferred assets, where the liability of the transferor is assessed against both transferor and transferee in accordance with section 311 of the Code.

(including duplicate-regular), aggregating \$374,815,600, the amount assessed by agreement was \$327,592,718, or 87.4 percent as compared with 86.3 percent for last year.

*Refunds, abatements, and credits.*—The number of income and excess profits tax cases which involved refunds or credits of tax or interest to taxpayers or abatement of tax audited and closed by the Income Tax Unit during 1944 was 94,332 as compared with 93,093 such cases closed during 1943. Of the total of 94,332 overassessments for 1944, 50,076 were made to taxpayers without the necessity of filing claims. This compares with 49,195 in the previous year. Of the overassessments settled in 1944 by the Income Tax Unit, 79,714 represented refunds or credits of tax or interest involving \$73,188,705 as compared with 64,297 involving \$49,511,101 in 1943.

There were also allowed 26,662 collectors' claims, of which 7,101 recommended abatements or credits and 19,561 recommended refunds. These claims were largely multiple-item claims, i. e., claims in behalf of a number of taxpayers, and involved 19,442 items for abatement or credit and 56,578 items for refund.

The amount involved in overassessments of all types for 1944 represented by refunds, credits, interest, and abatements for income and excess profits tax cases audited in the collectors' offices as well as by the Income Tax Unit was \$171,264,083 as compared with \$113,777,043 the previous year.

*Inventory of returns on hand in the field offices.*—The number of open income and excess profits tax returns on hand in the field offices as of June 30, 1944, was 507,104 compared with 538,982 on the same date last year (excluding in each year returns tentatively accepted without investigation). The net decrease between the two dates was 31,878, or 5.9 percent. Returns for 1941 and prior tax years on hand as of June 30, 1944, numbered 182,543, as compared with 102,010 returns for 1940 and prior tax years on hand a year ago; thus the prior-year returns constituted 36 percent of the total number on hand at the close of the fiscal year 1944, as compared with 19 percent for 1943.

### *Miscellaneous Tax Unit*

The Miscellaneous Tax Unit is concerned with the administration of all internal revenue taxes except the income and excess profits taxes, the taxes applicable to alcoholic beverages, and those relating to employment.

The collections of miscellaneous taxes for the fiscal year 1944 amounted to \$3,736,810,753, an increase of \$586,663,838 as compared with collections from these sources for the preceding year.

*Estate Tax Division.*—There were 17,205 estate tax returns and 20,772 gift tax returns received during the year. Collections of estate tax amounted to \$473,465,605, representing an increase of \$58,935,006 over the collections for the preceding year. Collections of gift tax amounted to \$37,744,732, an increase of \$4,779,653 as compared with collections for the preceding year.

Assessment and collection of additional taxes amounting to \$51,436,506, proposed in 361 estate tax and gift tax cases, were postponed pending the adjudication of appeals filed with The Tax Court of the United States.

As a result of Bureau and field investigations and audits, deficiencies were assessed amounting to \$84,828,823 in estate tax and \$6,611,182 in gift tax cases.

*Tobacco Division.*—The collections of tobacco taxes amounted to \$988,483,237, as compared with collections of \$923,857,284 during the preceding year. The receipts from the tax on small cigarettes comprise the major portion of the tobacco taxes and during the fiscal year 1944 amounted to \$903,957,883.

A detailed comparison of the tobacco taxes collected during the fiscal years 1943 and 1944 is shown in table 7, page 563 of this report.

*Sales Tax Division.*—Collections of manufacturers' excise taxes and retail dealers' excise taxes amounted to \$728,694,435, an increase of \$58,679,462 as compared with collections for the preceding year. A summary of these collections during the last two years follows; and a more detailed comparison of the collections is shown in table 7, page 563.

*Summary of taxes collected by the Sales Tax Division, fiscal years 1943 and 1944*

Source	1943	1944	Increase or decrease (—)
Manufacturers' excise taxes (Title IV, Revenue Act of 1932, as amended, and Subtitle C, Ch. 29, Internal Revenue Code, as amended)	\$455,501,054.64	\$452,088,623.83	—\$3,412,430.81
Electrical energy	48,705,138.94	51,238,653.30	2,533,514.36
Pistols and revolvers	61,513.26	37,218.92	—24,294.34
Repealed manufacturers' excise taxes	481,396.46	97,674.31	—383,722.15
Total manufacturers' excise taxes	504,749,103.30	503,462,170.36	—1,286,932.94
Retailers' excise taxes (Ch. 19, Internal Revenue Code)	165,265,869.35	225,232,264.46	59,966,395.11
Total	670,014,972.65	728,694,434.82	58,679,462.17

*Capital Stock Tax Division.*—The collections of capital stock tax during the year amounted to \$380,702,006, as compared with \$328,794,971 for the preceding year, an increase of \$51,907,035.

Domestic and foreign corporations filed a total of 509,935 returns. As a result of the review and audit of capital stock tax returns, 9,116 assessments were made, involving tax, penalties, and interest in the amount of \$710,949.

*Miscellaneous Division.*—The Miscellaneous Division is concerned with the administration of the taxes on admissions, dues, telephone, telegraph, and cable facilities, safe deposit boxes, transportation of persons, transportation of property, the use of motor vehicles and boats, the processing of coconut and other vegetable oils, manufactured sugar, bituminous coal, silver, hydraulic mining, and the transportation of oil by pipe line; the special taxes on the maintenance of coin-operated amusement and gaming devices for use and on the operation of bowling alleys and billiard and pool tables; the documentary stamp taxes, and the taxes on oleomargarine, etc., narcotics, and marihuana, and with the administration of the National Firearms Act and the Federal Firearms Act. This Division is also concerned with the adjustment of claims for refund of taxes paid under the Agricultural Adjustment Act and related legislation.

The collections of the taxes administered in the Miscellaneous Division amounted to \$1,127,720,738 in 1944, an increase of \$347,736,728 over the previous year. Details of these collections for 1943 and 1944 are shown in table 7, page 563.

*Alcohol Tax Unit*

Collections of liquor taxes, representing receipts from excise taxes, rectification tax, floor stocks taxes, bottle or container stamps, and special or occupational taxes, amounted to \$1,618,775,156 during the fiscal year 1944, compared with \$1,423,646,456 in the preceding year, an increase of \$195,128,700, or 13.7 percent. This increase was due largely to changes in tax rates, to increased withdrawals of fermented malt liquors, and to the fact that the collections on imported distilled spirits more than offset the decrease in collections on domestic distilled spirits. Details of these collections will be found in table 7, page 563.

Because of war requirements, the demand for industrial alcohol continued to increase during the year. Under statutory amendments effected by the acts of January 24, 1942, and March 27, 1942, beverage distillers engaged in the production of high-proof spirits for industrial purposes and, where necessary, transferred spirits of low proof to other plants equipped to raise the spirits to the necessary degree of proof. The Alcohol Tax Unit operated in close coordination with the various war agencies in bringing about the production of increased supplies of alcohol.

On June 30, 1944, the following premises and proprietors were qualified to engage in the production, distribution, or use of alcohol and alcoholic liquors:

	<i>Number</i>
Industrial alcohol:	
Industrial alcohol plants.....	71
Industrial alcohol denaturing plants <sup>1</sup> .....	83
Industrial alcohol bonded warehouses.....	89
Bonded dealers in specially denatured alcohol.....	37
Bonded manufacturers using specially denatured alcohol.....	4, 076
Hospitals, laboratories, and educational institutions using tax-free alcohol.....	6, 848
Distilled spirits: <sup>2</sup>	
Registered distilleries.....	133
Fruit distilleries.....	124
Internal revenue bonded warehouses.....	250
Distillery denaturing bonded warehouses.....	2
Rectifying plants.....	225
Tax-paid bottling houses.....	85
Wines:	
Wineries.....	859
Bonded wine storerooms.....	73
Bonded field warehouses.....	25
Fermented malt liquors: Breweries.....	463
Beverage dealers:	
Retail malt liquor dealers.....	112, 350
Retail liquor dealers.....	229, 317
Wholesale malt liquor dealers.....	8, 462
Wholesale liquor dealers.....	6, 512
Importers.....	1, 298
Others:	
Users of distilled spirits in the manufacture of nonbeverage products.....	1, 108
Bottle manufacturers.....	67
Vinegar plants using vaporizing process.....	15
Carriers.....	418

<sup>1</sup> Includes 15 denaturing plants established in connection with registered distilleries.

<sup>2</sup> Lessees were as follows: Registered distilleries, 4; tax-paid bottling houses, 4; rectifying plants, 8.

*Procedure Division.*—This Division is responsible for planning and developing procedure for the headquarters and field offices of the Alcohol Tax Unit; assists in drafting regulations, Treasury decisions, mimeographs and circulars; reviews all forms prescribed by the Alcohol Tax Unit; and is charged with the administration of regulations relating to traffic in containers of distilled spirits, and with the supervision of the Statistical Section. In addition to the preparation of procedure and statistics concerned directly with the Alcohol Tax

Unit, the Unit furnished war agencies current statistical data concerning industrial alcohol and other liquors. Special reports covering such items were also prepared for the information of such agencies.

*Field Inspection Division.*—This Division was organized to inspect and make recommendations for the coordination and improvement of the various permissive and administrative activities in the 15 supervisory districts. The Division devises and recommends plans and methods for increased efficiency and economy; supervises the installation of new procedures and the conduct of educational programs; determines the adequacy and suitability of office space and equipment; makes recommendations relative to the judicious expenditure of public funds; and assists district supervisors in problems of organization, management, and proper utilization of the services of personnel. A group of specially trained field examiners, operating directly from the Washington office, make frequent inspections of the field offices for the purpose of improving efficiency in the determination and collection of the liquor taxes.

During the year, schools of instruction for storekeeper-gaugers and junior inspectors were organized and the systematic and regular training of these officers was begun.

In the fiscal year 1944 a total of 335,771 inspections were made by field offices, an increase of 66,754 inspections, or 24.8 percent over the previous year.

The Division is responsible for approval or disapproval of applications, notices, bonds, and other qualifying documents filed in connection with the establishment and operation of industrial alcohol plants, bonded warehouses and denaturing plants, distilleries, fruit distilleries, distillery denaturing bonded warehouses, internal revenue bonded warehouses, rectifying plants, tax-paid bottling houses, and vinegar factories using the vaporizing process. Final review and acceptance are made of qualifying documents submitted in connection with the establishment and operation of bonded field warehouses, bonded storerooms, bonded wineries, and breweries.

Administrative examination of applications, notices, bonds, consents of surety, plats, plans, and other documents required by law and regulations filed in connection with new establishments, changes in premises and equipment, and discontinuances totaled 22,191. During the year 160 new establishments were approved and 287 were discontinued.

*Laboratory Division.*—This Division is comprised of a central laboratory in Washington, D. C., with 13 branch laboratories located throughout the country, and 1 branch in San Juan, P. R.

The Division performs all of the chemical work for the Bureau of Internal Revenue and analyzes samples of narcotics submitted by officers of the Bureau of Narcotics. The Washington laboratory also assists State alcoholic beverage control boards and police departments. It collaborates with the Department of Agriculture relative to the official adoption of methods of analysis for alcoholic beverages. The War Production Board, Office of Price Administration, Defense Supplies Corporation, and Rubber Reserve Corporation frequently confer with members of the Division relative to production, use, storage, and transportation of alcohol and products derived therefrom.

The activities of the Washington laboratory include the examination of formulae, samples, and processes in which denatured alcohol is



used. Processes used in distilleries, industrial alcohol plants, wineries, breweries, and rectifying plants are reviewed in the laboratory and samples of oleomargarine, cheese, butter, spreads, lubricants, soap, and cosmetics are examined for the Miscellaneous Tax Unit.

The branch laboratories receive most of the samples taken by Bureau and narcotic officers for enforcement purposes. They also analyze high wines shipped for redistillation and alcohol stored for the Defense Supplies Corporation.

*Audit Division.*—The Audit Division has general supervision over the work relating to the operation of registered distilleries, internal revenue bonded warehouses, rectifying plants, industrial alcohol plants, industrial alcohol bonded warehouses, denaturing plants, breweries, wineries, bonded wine storerooms, dealers in specially denatured alcohol, and users of tax-free alcohol. It also conducts the tax accounting, assessment, claim, and compromise functions of the Unit.

This Division also determines and lists assessments against persons engaging in illicit liquor traffic. It examines for allowance or rejection all claims for abatement or refund of taxes, and for the redemption of tax stamps and strip stamps, and recommends acceptance or rejection of offers in compromise of tax, forfeiture of seized property, or criminal liability.

At the beginning of the fiscal year there were on hand 685 offers in compromise in the amount of \$73,205. There were received 7,268 offers aggregating \$413,195; 6,944 offers totaling \$386,127 were accepted, 488 offers totaling \$46,472 were rejected, 251 offers totaling \$42,570 were returned to the district supervisors for further investigation, leaving 270 offers aggregating \$11,231 on hand at the end of the year.

There were 14 offers in compromise in the amount of \$16,550 on hand at the beginning of the year submitted in settlement of liabilities incurred in connection with the Federal Alcohol Administration Act. During the year, 141 offers amounting to \$48,000 were received, 147 offers totaling \$60,350 were accepted, and 6 offers aggregating \$3,500 were rejected, leaving 2 offers in the amount of \$700 on hand at the end of the fiscal year.

*Basic Permit and Trade Practice Division.*—This Division is charged with administering the provisions of the Federal Alcohol Administration Act and regulations which have been issued thereunder. The act requires that all producers (other than brewers), importers, and wholesale distributors of alcoholic beverages secure basic permits, which are conditioned upon compliance with the provisions of the act, the Twenty-first Amendment and its enabling statutes, and all other Federal alcoholic beverage laws. The broad purpose of the statute is the regulation of the conduct of the legitimate liquor industry.

The number of outstanding basic permits of all classes has again shown a decrease, dropping from 13,547, the number in effect on July 1, 1943, to 12,913 on June 30, 1944.

The following table reflects permit activities under the Federal Alcohol Administration Act during the year and the number of permits of each class in effect on June 30, 1944.

*Permit activities, fiscal year 1944*

	Whole- salers	Wine producers and blenders	Wine blend- ers	Dis- tillers	Recti- fiers	Ware- housing and bottling	Import- ers	Total
In effect July 1, 1943 .....	10,247	1,053	97	345	277	519	1,009	13,547
Issued during year .....	1,593	160	20	93	82	127	542	2,617
Terminated:								
Canceled .....	2,085	242	41	36	35	131	229	2,799
Automatically terminated .....	353	7	-----	17	7	26	33	423
Revoked .....	3	4	-----	-----	-----	-----	4	11
Annulled .....	2	-----	-----	-----	-----	-----	-----	2
Suspended .....	8	4	-----	-----	1	1	2	16
In effect June 30, 1944 .....	9,409	956	76	385	316	488	1,283	12,913
Amended during year .....	788	44	8	16	22	24	125	1,027

Because of war conditions and increasing merchandise shortages, the volume of label applications received during the year declined somewhat from the volume received during the preceding year. However, an increased amount of work was necessitated owing to the fact that, in an effort to relieve the shortages, members of the industry have undertaken to bring in all kinds of products from foreign countries. Specific labeling problems were presented in connection with a great many of these products and extensive correspondence, as well as a large volume of analytical work on the part of the Laboratory, was necessary before the proper labeling of such merchandise could be achieved.

In the enforcement of the advertising regulations promulgated under the Federal Alcohol Administration Act the Division reviewed 84,320 advertisements appearing in 22,148 publications and took appropriate regulatory action in 1,685 cases involving various types of irregularities. Six cases involving violations of the advertising provisions of the statute were closed upon the acceptance of appropriate offers in compromise. There were also 20,650 radio continuities and 3,034 pieces of point-of-sale advertising material reviewed.

*Enforcement Division.*—The activities of the Enforcement Division include the investigation, detection, and prevention of willful and fraudulent violations of the internal revenue laws relating to distilled spirits, wines, and fermented malt liquors.

During the fiscal year 6,801 illicit stills, 2,427,649 gallons of mash, 1,553 automobiles and trucks, 78,840 gallons of illicit liquors, and 135,791 gallons of tax-paid liquors were seized. The appraised value of the property seized was \$2,819,851. The number of persons arrested for liquor law violations totaled 11,525.

During the year 11,585 persons were recommended for prosecution in Federal courts in Alcohol Tax Unit cases, an increase of 1,437 as compared with the fiscal year 1943; 7,462 persons were indicted, 6,023 defendants were convicted, and on June 30, 1944, 6,709 persons were awaiting grand jury or trial action for internal revenue liquor law violations, an increase of 307 from June 30, 1943.

During the year 82 applications for pardon and 993 applications for parole were examined and reports submitted.

*Transportation of liquor into dry territory.*—As a result of the enforcement of the Liquor Enforcement Act of 1936 relating to the introduction of tax-paid liquors into dry States, 69 vehicles and 1,688 gallons of tax-paid liquors valued at \$69,289 were seized, 97 persons were arrested, and 76 were indicted and convicted.

*Floor stocks tax violations.*—There were 2,681 floor stocks tax cases perfected during the fiscal year which involved the seizure of 61,705 gallons of tax-paid liquor valued at \$717,457. Taxes and penalties amounting to \$1,049,456 were recommended for assessment in these cases. Offers in compromise in the amount of \$1,255,378 in lieu of criminal and/or civil liabilities were accepted by the Department of Justice.

*Federal Alcohol Administration Act violations.*—Offers in compromise totaling \$1,700,850 in lieu of criminal and civil liabilities were accepted by the Department of Justice from 45 breweries for subsidizing retail outlets in violation of the Federal Alcohol Administration Act.

*Violations of internal revenue laws and Federal Alcohol Administration Act resulting from shortage of distilled spirits.*—The War Production Board order which prohibited the production of distilled spirits for beverage purposes on and after October 8, 1942, the self-imposed industry rationing system, and hoarding by dealers gradually brought about a shortage of beverage spirits available for public consumption. The shortage began to be acute about September 1943, and by January 1944 it was practically impossible for consumers to find whiskey on the shelves of retailers. This shortage of distilled spirits resulted in large scale violations of the internal revenue laws and the Federal Alcohol Administration Act. In this connection investigations of 3,804 taxpayers and permittees were undertaken during the fiscal year. These investigations related largely to the falsification of Record 52 by wholesalers and to violations of the terms and conditions of permits under the Federal Alcohol Administration Act.

There were 548 cases submitted to United States attorneys with recommendations for the prosecution of 1,174 persons. Federal grand juries returned 216 indictments involving 485 persons, 175 defendants were convicted, and 55,712 gallons of tax-paid spirits valued at \$691,038 were seized.

### *Accounts and Collections Unit*

The Accounts and Collections Unit is the central administrative organization for the 64 internal revenue collection districts and makes the administrative audit of all expenditures for the Internal Revenue Service. The Unit also administers the employment taxes imposed under Chapter 9 of the Internal Revenue Code, the taxes under Subchapter A (Federal Insurance Contributions Act) being with respect to employment by others than carriers, Subchapter B with respect to employment by carriers, and Subchapter C (Federal Unemployment Tax Act) with respect to the tax on employers of eight or more.

There were 79,359,029 tax returns filed in collectors' offices during the fiscal year 1944, an increase of 22,060,035 over the previous year. Of the total returns filed, 62,795,006 were income and excess profits tax returns and declarations, an increase of 22,287,692 during the year.

During the fiscal year, 268,884 income tax, 112,238 miscellaneous tax, and 564,068 employment tax returns were investigated by field deputy collectors, and 5,073,679 information returns were verified. At the close of business June 30, 1944, there were outstanding in the 64 collection districts 45,500 income tax returns, and 7,330,793 information returns were on hand.

Deputy collectors of internal revenue served 491,078 warrants for distraint, which resulted in the collection of \$83,338,767. An average of 9,057 deputy collectors made 3,792,416 revenue-producing investigations, including the serving of warrants for distraint, compared with 3,301,745 revenue-producing investigations made by an average of 6,395 deputy collectors in the preceding year. The total amount collected and reported for assessment by deputy collectors was \$245,317,947, compared with \$150,643,949 in the previous year. The average number of investigations made per deputy and the average amount of tax collected and reported for assessment were 420 and \$27,086, respectively, compared with 516 and \$23,557, respectively, in 1943. There were 245,089 warrants for distraint in custody in the collectors' field forces on June 30, 1944, as compared with 250,477 on hand June 30, 1943.

A total of 16,257,204,444 revenue stamps, valued at \$3,303,693,383, was issued to collectors of internal revenue and the Postmaster General during the year, compared with 16,529,206,905 stamps valued at \$3,122,024,388 issued in 1943. Revenue stamps returned by collectors of internal revenue and by the Postmaster General, and credited to their account, amounted to \$592,355,269. There were 109 applications allowed for restamping packages from which the original stamps had been lost, mutilated, or destroyed, compared with 191 applications in the preceding year.

The Disbursement Accounting Division administratively examined and recorded 1,552 monthly accounts, comprising 182,454 vouchers, of collectors of internal revenue, internal revenue agents in charge, technical staff divisions, and district supervisors, including the San Juan, P. R., branch of the District of Maryland, and the Honolulu, T. H., branch of the San Francisco Alcohol Tax District No. 14. In addition, 4,568 expense vouchers of employees and 29,296 vouchers covering passenger and freight transportation and miscellaneous expenses were audited and passed to the Chief Disbursing Officer, Treasury Department, or the General Accounting Office for payment.

*Taxes under the Federal Insurance Contributions Act.*—Collections of taxes imposed under the Federal Insurance Contributions Act amounted to \$1,290,024,857 for 1944, an increase of \$158,478,729 over 1943. These amounts include both the employees' tax and the employers' tax each of which was imposed at the rate of 1 percent of taxable wages paid. Returns under the act are required on a quarterly basis, 8,587,017 being filed during the fiscal year 1944, as compared with 8,939,225 filed in the preceding year.

The following table sets forth information relative to claims disposed of under the Federal Insurance Contributions Act and/or Title VIII of the Social Security Act.

*Claims under the Federal Insurance Contributions Act and/or Title VIII of the Social Security Act received and disposed of, fiscal year 1944*

Claims	Under sec. 1401 (d) of the Federal Insur- ance Contribu- tions Act	All other
	Number	
Pending July 1, 1943.....	17,411	4,198
Received during year.....	84,835	14,082
Total to be disposed of.....	102,246	18,280
Allowed in full or in part.....	65,223	10,915
Rejected.....	853	2,386
Canceled.....	169	165
Total disposed of.....	66,245	13,466
Pending June 30, 1944.....	36,001	4,814
Certificates of allowance issued when no claims were filed.....		2,251
	Amount	
Overassessments settled by—		
Abatement.....		\$1,546,789
Credit.....		129,946
Refund.....	\$1,248,872	641,731
Total.....	1,248,872	2,318,466
Interest.....		88,889
Grand total.....	1,248,872	2,407,355

Under the provisions of section 1401 (d) of the Federal Insurance Contributions Act and subject to the conditions therein specified, an employee performing services for more than one employer during a calendar year may obtain a refund of the amount of employee's tax deducted from his wages and paid to the collector which is in excess of the tax on the first \$3,000 of such wages.

The following table shows the status of the offers in compromise submitted in settlement of liabilities incurred under the Federal Insurance Contributions Act and/or Title VIII of the Social Security Act.

*Offers in compromise under the Federal Insurance Contributions Act and/or Title VIII of the Social Security Act received and disposed of, fiscal year 1944*

Offers in compromise	Number of offers	Amount offered	Liability involved
Pending July 1, 1943.....	694	\$154,925	\$427,934
Received during year.....	887	180,084	615,312
Total to be disposed of.....	1,581	335,009	1,043,246
Accepted.....	775	152,155	342,944
Rejected.....	173	43,910	124,577
Withdrawn.....	45	8,601	23,036
Terminated by default.....	24	3,203	15,424
Total disposed of.....	1,017	207,869	505,981
Pending June 30, 1944.....	564	127,140	537,265

*Tax under the Federal Unemployment Tax Act.*—The tax under the Federal Unemployment Tax Act is imposed on employers of eight or more. The rate is 3 percent on taxable wages paid during 1943 with respect to employment. Collections during 1944 amounted to \$183,336,565, an increase of \$27,328,903 over 1943. Returns are required on an annual basis, 418,757 being filed during 1944, as compared with 397,595 filed during the preceding year.

Data on the returns, revenue agents' reports, claims, and offers in compromise in connection with the tax under the Federal Unemployment Tax Act are shown in the following tables.

*Number of Federal unemployment tax returns received and disposed of, fiscal year 1944*

Returns:	Number
Pending July 1, 1943.....	419,000
Received during year.....	418,757
Total to be disposed of.....	837,757
Closed.....	453,595
Pending June 30, 1944.....	384,162

*Number of revenue agents' reports received and disposed of, fiscal year 1944*

Reports:	Number
Pending July 1, 1943.....	285
Received during year.....	1,861
Total to be disposed of.....	2,146
Closed:	
No change in tax liability.....	431
Deficiencies in tax.....	1,359
Overassessments.....	216
Total.....	2,009
Pending June 30, 1944.....	137

*Claims under the Federal Unemployment Tax Act and/or Title IX of the Social Security Act received and disposed of, fiscal year 1944*

Claims:	Number
Pending July 1, 1943.....	6,681
Received during year.....	18,397
Total to be disposed of.....	25,078
Allowed in full or in part.....	12,599
Rejected.....	3,956
Canceled.....	229
Total.....	16,784
Pending June 30, 1944.....	8,294
Certificates of overassessment and certificates of allowance issued when no claims were filed.....	5,683
Overassessments settled by—	Amount
Abatement.....	\$3,236,418
Credit.....	39,599
Refund.....	2,162,319
Total.....	5,438,336
Interest.....	64,013
Grand total.....	5,502,349

*Offers in compromise under the Federal Unemployment Tax Act and/or Title IX of the Social Security Act received and disposed of, fiscal year 1944*

Offers in compromise	Number of offers	Amount offered	Liability involved
Pending July 1, 1943.....	703	\$105,533	\$818,026
Received during year.....	1,369	306,110	1,738,714
Total to be disposed of.....	2,072	411,643	2,556,740
Accepted.....	723	112,619	633,892
Rejected.....	533	122,843	742,719
Withdrawn.....	81	23,500	114,200
Terminated by default.....	19	3,095	21,021
Total disposed of.....	1,356	262,057	1,511,832
Pending June 30, 1944.....	716	149,586	1,044,908

*Carriers taxes.*—Collections of carriers taxes under Chapter 9, Subchapter B, of the Internal Revenue Code aggregated \$265,011,013 for the fiscal year 1944, an increase of \$53,859,770 over 1943. The amount for 1944 includes \$264,997,305 of collections from the employers' tax and the employees' tax, both of which were imposed at the rate of 3¼ percent of the taxable compensation; collection of the employee representatives' tax for 1944, which was imposed at the rate of 6½ percent of the taxable compensation, amounted to \$13,708, as compared with \$47,721 for the previous year, a decrease of \$34,013. Returns are required on a quarterly basis, 31,005 being filed by employers, a decrease of 256, and 1,293 being filed by employee representatives, a decrease of 480 over the previous year.

The following table sets forth information relative to claims disposed of under Chapter 9, Subchapter B, Internal Revenue Code, and/or the Carriers Taxing Act of 1937.

*Claims under Ch. 9, Subchapter B, Internal Revenue Code, and/or the Carriers Taxing Act of 1937 received and disposed of, fiscal year 1944*

Claims:	Number
Pending July 1, 1943.....	94
Received during year.....	216
Total to be disposed of.....	310
Allowed in full or in part.....	224
Rejected.....	47
Total disposed of.....	271
Pending June 30, 1944.....	39
Certificates of allowance issued when no claims were filed.....	8
Overassessments settled by—	Amount
Abatement.....	\$21,884
Credit.....	38,596
Refund.....	45,370
Total.....	105,850
Interest.....	5,180
Grand total.....	111,030

*Technical Staff*

The Technical Staff is the appellate agency in the Bureau of Internal Revenue for the determination of income, profits, estate, and gift tax liability in disputed cases. The Staff consists of an administrative office in Washington and 10 field divisions with 35 local offices. The heads of these divisions exclusively represent the Commissioner of

Internal Revenue within their territorial jurisdiction (a) in the determination of tax liability in contested cases not docketed before The Tax Court of the United States, and (b) in the stipulated settlement, with concurrence of division counsel, of cases docketed by The Tax Court. The Staff handles certain offers in compromise and applications for extensions of time for the payment of income taxes, and also reviews final closing agreements under section 3760 of the Internal Revenue Code.

A brief summary of the work of the Staff field divisions is shown in the following table.

*Analysis of the work of all field divisions of the Technical Staff, fiscal year 1944*

Cases	Docketed cases	Nondocketed cases
On hand July 1, 1943.....	3,479	<sup>1</sup> 4,020
Received (transfers, etc., deducted) during year.....	3,278	6,845
Total to be disposed of.....	6,757	10,865
Closed by stipulation or agreement.....	1,912	3,953
Dismissals and defaults.....	180	751
Unagreed cases submitted to The Tax Court.....	927	
Cases appealed to The Tax Court.....		1,461
Unagreed action on overassessment and claims cases.....		215
Total disposed of.....	3,019	6,480
On hand June 30, 1944.....	3,738	<sup>1</sup> 4,385

<sup>1</sup> Includes 588 cases awaiting taxpayers' action on statutory notices directed or sustained on July 1, 1943, and 597 on June 30, 1944.

The nondocketed cases disposed of by agreement, by default, and by unagreed action on claims, involved proposed deficiencies in tax and penalties totaling \$56,668,556, and overassessments tentatively determined of \$7,010,312. The deficiencies and penalties agreed to amounted to \$23,853,835, and overassessments of \$5,429,570 were allowed. Defaults totaled \$4,160,978 in tax and penalties, with \$163,055 in overassessments. In addition, overassessments aggregating \$850,394 were allowed in unagreed claims cases.

The docketed cases closed by stipulation involved asserted deficiencies in tax and penalties aggregating \$62,313,494 and overassessments of \$1,483,744 for other years and in associated cases. The amount agreed to consisted of \$23,796,634 in tax and penalties and \$1,287,529 in overassessments.

The filing of applications for general relief under section 722 of the Internal Revenue Code, made applicable retroactively to taxable years beginning after December 31, 1939, has materially slowed down the closing of corporate cases for such years. It is probable that this phase of the work, together with the volume of difficult excess profits tax cases, will cause some increases in Staff inventories for several years to come. Striking results of the decentralized procedure are that for over five years of full operation approximately one-third of all statutory notices directed or sustained by the Staff field divisions are defaulted in that no petition is filed with The Tax Court; in cases handled by the Staff in nondocketed status, only 1 in 8 is tried before The Tax Court; and litigating results show that over half of the tax in controversy in the dockets which are tried is upheld by The Tax Court.



The work of the Staff on compromise, extension of time, and closing agreement cases is analyzed in the following table.

*Analysis of the work of the Technical Staff on compromise, extension of time, and final closing agreement cases, fiscal year 1944*

Cases	Compromise cases	Extension of time cases	Final closing agreement cases
On hand July 1, 1943.....	453	6	5
Received (net) during year.....	783	232	204
Total to be disposed of.....	1,236	238	209
Accepted, granted, or approved.....	392	71	170
Rejected.....	288	162	21
Withdrawn.....	118	1	
Transferred.....	19		
Total disposed of.....	817	234	194
On hand June 30, 1944.....	419	4	15

### *Office of the Chief Counsel*<sup>1</sup>

The activities of the Office of the Chief Counsel for the Bureau of Internal Revenue include the defense of all Federal tax cases appealed to The Tax Court of the United States; the review of refunds, credits, and abatements in excess of \$20,000; consideration of various administrative and internal revenue tax matters referred to that office by the Secretary and other officers of the Treasury Department, or by the Commissioner and other officers of the Bureau of Internal Revenue. They include also the preparation, at the request of the Department of Justice or of the United States attorneys, of data for use in the prosecution or defense of tax cases (civil and criminal) in suit, and compliance with requests for assistance in such cases; and the preparation, revision, and review of regulations, Treasury decisions, mimeographs, and rulings for the guidance of the officers and employees of the Bureau of Internal Revenue and others concerned. The Office is made up of the Chief Counsel's Committee, the Engineers and Auditors Section, and eight divisions, viz: Alcohol Tax, Appeals, Civil, Claims, Interpretative, Legislation and Regulations, Penal, and Review.

During the year, 3,633 cases appealed to The Tax Court were closed. In 3,622 cases involving income, excess profits, unjust enrichment, estate, and gift taxes the appellants recovered \$73,187,202 on claims aggregating \$150,625,788; and in 11 cases involving processing taxes the appellants recovered \$90,884 on claims aggregating \$812,274.

In cooperation with the Department of Justice, 781 civil cases in State and Federal courts were closed, in which the amount claimed was \$15,461,358; refunds aggregating \$4,441,521 and collections amounting to \$624,278 were made. There were also closed 1,131 cases involving liens, in which \$678,523 was collected.

The Government was represented in 1,064 corporate reorganization and arrangement proceedings in which Government claims amounting to \$12,353,850 were settled for \$4,878,908. In 3,948 bankruptcy and receivership cases disposed of, \$3,399,726 was collected on Government claims aggregating \$9,895,218.

<sup>1</sup> More detailed information concerning the functions and activities of the Office of the Chief Counsel will be found in the annual report of the Commissioner of Internal Revenue.

In claims filed by collectors against the estates of deceased taxpayers and insolvent banks and in liquidation proceedings, including assignments for the benefit of creditors, 2,259 cases involving claims amounting to \$8,187,810 were settled and \$2,849,356 was collected.

The Office reviewed 715 cases involving proposed allowances for overpayment or overassessment of income, excess profits, estate, gift, and miscellaneous taxes, as well as deficiencies when coupled with tax reductions under review, where the amount of tax reduction in a particular case exceeded \$20,000. Payment of \$31,203,282 was recommended upon claims amounting to \$57,183,582. Included in these figures are income, excess profits, estate, and gift tax cases involving overpayments exceeding \$75,000, on which reports were prepared for the Joint Committee on Internal Revenue Taxation. Cases were reviewed involving claims for refund of amounts paid as processing and floor stocks taxes and unjust enrichment tax deficiencies aggregating \$24,312,939. Final review of 3,275 cases involving compromise and closing agreements was made.

Claims for reward for information relative to violations of the internal revenue laws were considered and payments of \$77,209 were recommended in 62 of the 212 cases disposed of.

In connection with the administration and enforcement of the internal revenue liquor laws and the laws relating to firearms, 5,669 memoranda, 181 briefs, 6,570 opinions, 252 libels, and 32 indictments were prepared. With respect to alcohol and Federal Alcohol Administration permits, 45 denials of applications for permits, 71 notices of contemplated denials of applications, 154 citations for revocation and suspension, and 52 orders in suspension and revocation proceedings were prepared. Reviews were made of 1,838 case reports, 480 claims of over \$5,000 each, 7,447 compromise cases, and 135 petitions for remission or mitigation of forfeitures. In addition, 187 hearings were participated in.

During the year 528 internal revenue tax cases involving criminal liability were closed. Much of this penal work was performed in close cooperation with the Department of Justice and included consideration of offers in compromise and the preparation of opinions construing the criminal and percentage penalty statutes and whether certain cases should be reopened because of fraud or malfeasance, or misrepresentation of a material fact.

Work involving interpretation of internal revenue laws was performed in 2,592 cases, including the preparation or review of memoranda, correspondence, briefs to be filed with The Tax Court in key cases, actions on decisions in special cases, and closing agreements covering proposed transactions. Material submitted for publication in the Internal Revenue Bulletin was edited.

The Office prepared or reviewed regulations issued under the internal revenue laws and tax conventions with foreign countries and reports on legislation introduced in Congress affecting the internal revenue. Consideration was given to suggestions for amendments of, and additions to, the various internal revenue laws, and reports thereon were prepared. The Office participated in the preparation of income tax and other forms and in the drafting of internal revenue laws and tax conventions.

In 159 cases, technical engineering and auditing advice and assistance were furnished revenue officials and the Department of Justice,

principally in the fields of valuation and depreciation. Legal advice and assistance were rendered officials concerned with the salary stabilization regulations in 2,359 cases.

### *Intelligence Unit*

The Intelligence Unit is principally concerned with the investigation of tax fraud cases in cooperation with internal revenue agents and deputy collectors. During the year, 1,082 investigations were made of alleged evasion of income and miscellaneous taxes, and of this number 280 cases, involving 512 individuals, were recommended for prosecution. On this charge there were convictions of 85 individuals and 2 acquittals. Investigations of these cases resulted in recommendation for assessment of additional taxes and penalties amounting to \$45,718,776.

In addition to collections by the Bureau of Internal Revenue of taxes, penalties, and interest, amounts are covered into the Treasury as a result of fines imposed in criminal cases. In some jurisdictions the courts have imposed an additional penalty by requiring the defendants to pay the costs of the investigations, that is, the salaries and expenses of the agents during investigations.

There were 2,684 investigations of applications of attorneys and agents to practice before the Treasury Department and 42 investigations of charges against enrolled agents and attorneys, resulting in the disbarment of 6, the suspension of 2, the reprimand of 3, and the rejection of applications of 10.

The investigations in 84 cases of charges against employees of the Bureau of Internal Revenue resulted in the separation from the Service of 53 employees. Criminal proceedings were instituted against 14, and of the 11 brought to trial during the year all were convicted. There were also 133 cases of a miscellaneous character investigated, resulting in the prosecution of 9. Six were tried and all were convicted.

### *Salary Stabilization Unit*

The Salary Stabilization Unit, under the supervision of a deputy commissioner, was created by Treasury Decision 5176, dated October 29, 1942, to administer the provisions of the regulations prescribed by the Director of Economic Stabilization under the act of October 2, 1942 (Public Law 729), and Executive Order No. 9250, dated October 3, 1942, for stabilizing all salaries in excess of \$5,000 per annum, and of executive, administrative, and professional salaries where the rates were in excess of \$30 a week and \$200 a month, respectively, and the positions were not represented by a certified labor organization. The regulations directed that, in general, levels of compensation were to be stabilized as of the level existing on September 15, 1942. Regulations, Treasury Decision 5186, outlining the policies and procedure to be followed with respect to salaries of employees under the jurisdiction of the Commissioner, were promulgated on December 2, 1942.

On April 8, 1943, the President issued Executive Order No. 9328, which provided for certain changes in policies and procedure. As a result of this order, the statement of the Director of Economic Stabilization, dated May 12, 1943, and the revised regulations issued by

the Director on August 28, 1943, the Commissioner promulgated amended regulations, Treasury Decision 5295, which were approved on September 4, 1943.

In addition to the regulations, the Commissioner of Internal Revenue has from time to time issued special rulings covering specific types of adjustments common to industry generally. These special rulings cover such subjects as overtime compensation, vacation pay, pension benefits and profit-sharing trusts, insurance, salary rate schedules, bonuses, commissions, and others.

Thirteen regional offices process employers' applications for approval of increases in compensation, which generally are salary adjustments or bonus or commission payments. The head of each regional office is authorized to make rulings subject only to review by the deputy commissioner.

An act of Congress approved June 30, 1944 (Public 383), extending the act of October 2, 1942, stipulated that its provisions should terminate on June 30, 1945.

During the fiscal year 1944, rulings on compensation adjustments issued by the Salary Stabilization Unit trebled those issued in 1943, the fiscal year in which the Unit was established.

The types and number of requests for decisions and the actions taken for the fiscal year 1944 were as follows:

Types	Requests on hand July 1, 1943	Requests received during year	Rulings issued during year	Requests on hand June 30, 1944
Regional offices				
Salary adjustments.....	16,481	193,615	200,248	9,848
Bonus payments.....	1,416	31,334	31,375	1,375
Salary and bonus combined.....	1,486	26,659	25,868	2,277
Salary rate schedules.....	925	4,853	5,549	229
Profit-sharing trusts.....		629	544	85
Insurance benefits and pension trusts.....		77	55	22
Appeal cases, all classes.....	5,617	24,851	27,191	3,277
Washington office				
Appeal cases, all classes.....	161	2,662	2,194	629

A detailed discussion of the stabilization and limitation of salaries appears on pages 129 to 131 of this report.

### LEGAL DIVISION

The General Counsel is by statute the chief law officer of the Treasury Department, and is directly responsible to the Secretary for the work of the Legal Division. The Legal Division is composed of the legal staff in the Office of the General Counsel and the legal staffs in the Bureau of Internal Revenue, Bureau of Customs, Bureau of Narcotics, Bureau of the Public Debt, Procurement Division, Bureau of the Comptroller of the Currency, and the Foreign Funds Control. The General Counsel, with the assistance of his legal staff, gives advice on legal problems to the Secretary, the Under Secretary, Assistant Secretaries and the administrative officers of the Department; exer-

cises general supervision over the work of the legal staffs in the foregoing bureaus; and serves as legal adviser to the branches of the Department not having legal staffs, such as the Bureau of Accounts, Bureau of Engraving and Printing, Bureau of the Mint, the Secret Service Division, Treasurer's Office, and the War Finance Division.

The activities of the Legal Division embrace all legal questions arising in connection with the administration of the duties and functions of the various bureaus, divisions, and other branches of the Department. These activities also include consideration of legal problems relating to broad financial, economic, and social programs, problems with respect to international cooperation in the monetary and financial fields, and problems relating to war activities. A more complete description of the scope of the activities of the Legal Division is to be found in the various administrative reports of bureaus and divisions of the Department contained elsewhere in this report.

In addition, the legal staff in the Office of the General Counsel handles legal matters relating to legislation, including the drafting of legislation and preparation of reports to committees of Congress and the Bureau of the Budget; appears before congressional committees; prepares and reviews Executive orders and proclamations; prepares formal and informal opinions and memoranda for the guidance of the administrative officers of the Department; performs the necessary pre-trial work in litigation involving Treasury officials; makes recommendations to the Secretary in matters relating to compromise settlement of general claims of the United States; supervises legal matters relative to inventions and patent rights of Treasury employees, negligence claims, and disclosure of official information; serves as legal adviser in proceedings involving complaints against enrollees licensed to practice before the Treasury Department; handles legal problems pertaining to gold and silver transactions and the administration of the stabilization fund; passes upon legal questions arising in the adjudication of Mexican claims; and handles the legal work in connection with railroad liquidations, receiverships, and reorganization proceedings under the Transportation Act.

During the fiscal year 1944, among the many special problems handled by the Legal Division were those relating to the collection of the revenues and related problems, the issuance of public debt obligations, the renegotiation of war contracts, the formulation of policies and procedures to govern the settlement of terminated war contracts, the establishment of policies and procedures to cover the disposition of surplus property, the formulation of proposals for an international monetary fund and an international bank for reconstruction and development, and cooperation with the military authorities on financial and monetary problems arising in liberated areas.

#### BUREAU OF THE MINT

The principal functions of the Mint Service include the acquisition of gold and silver bullion, payments for which are made on the basis of Mint assays; the manufacture of domestic silver and minor coins; and the safeguarding of the Government's holdings of the monetary metals, including coins, until required for distribution through the banks. Incidental activities include the refining of gold and silver, coinage for foreign governments, manufacture of gold, silver, and

bronze medals, coinage dies, platinum assay utensils, and other materials. In addition, the Mint Service performs special assays of bullion and ores submitted by the public for analysis and return.

The Mint Service as now constituted was created over a period of years beginning with the Philadelphia Mint in 1792. Its newest institution is the West Point Depository which was completed in 1938. The Bureau of the Mint was established in 1873 as a central supervisory agency.

### *Institutions of the Mint Service*

During the fiscal year 1944, six mint institutions were in operation: Coinage mints at Philadelphia, San Francisco, and Denver; assay office at New York, which handles the major portion of the gold imported and exported, and its auxiliary silver bullion depository at West Point; gold bullion depository at Fort Knox, Ky.; and assay office at Seattle. Electrolytic refineries are maintained at the New York, Denver, and San Francisco institutions.

### *Coinage*

Domestic coin manufactured during the fiscal year 1944 amounted to the record production of 2,578,640,270 pieces, compared with 1,472,098,762 pieces during the preceding year. As in previous years, the denomination most largely produced was the 1-cent piece. Production in 1944, in amount \$109,464,836.70, consisted of 406,356,600 subsidiary silver coins with a value of \$77,596,800.00, 253,630,000 5-cent coins with a value of \$12,681,500.00, and 1,918,653,670 1-cent coins with a value of \$19,186,536.70. Of the 1-cent coins, 898,686,670 were of zinc-coated steel and 1,019,967,000 were of copper-zinc.

Coinage for foreign governments totaled 487,847,000 pieces, compared with 173,023,000 during the preceding year.

The grand total of domestic and foreign coinage in 1944 amounted to 3,066,487,270 pieces, which was an increase in domestic coinage over the prior fiscal year of 1,106,541,508 pieces, or 75 percent, and an increase in foreign coinage of 314,824,000 pieces, or 182 percent. The weight of the finished coins was 12,354.31 tons, or an average production of 35 tons per day.

### *Minor coinage alloys*

*Five-cent coin.*—The 5-cent piece issued under authority of the Second War Powers Act, approved March 27, 1942, was coined during the fiscal year 1944. The composition is an alloy of 56 percent copper, 35 percent silver, and 9 percent manganese, and its standard weight is 77.16 grains. No 5-cent pieces containing 75 percent copper and 25 percent nickel have been coined since May 1942.

*One-cent coin.*—Production of the zinc-coated steel cent was discontinued December 31, 1943. The total number of zinc-coated steel coins struck from the beginning of production in February 1943 to their discontinuance December 31, 1943, was 1,093,838,670 pieces. On January 1, 1944, production was commenced of a copper-zinc coin containing 95 percent copper and 5 percent zinc. This was done under authority of the order of the Acting Secretary of the Treasury,

December 10, 1943, issued pursuant to Public Law 815, approved December 18, 1942. The change was made as a result of the availability of fired brass cartridge cases, to which copper is added to produce the alloy. The standard weight of the coin is 48 grains, the same as the former bronze 1-cent coin, production of which was discontinued in December 1942.

*Metal savings.*—The production of the copper-silver-manganese 5-cent piece and the zinc-coated steel 1-cent piece during the fiscal year 1944 freed 3,194 tons of copper, 350 tons of nickel, and 120 tons of zinc for use in furtherance of the war effort.

### *Bullion deposit transactions*

Bullion deposit transactions during the year numbered 7,492, including 53 inter-mint service transactions, compared with 15,406 and 99, respectively, during the prior year. The deposit transactions required 14,022 assay determinations, compared with 23,019 assay determinations last year.

### *Long-term storage of bullion*

There were no transfers of bullion for long-term storage during the fiscal year 1944. Because of increased sales of gold bars for industrial consumption and the large amounts of gold used for ear-marking purposes, it became necessary to transfer 29,625,700 fine ounces of gold with a value of \$1,036,899,495 from the Bullion Depository at Fort Knox to the New York Assay Office.

The balance of silver in the Bullion Depository at West Point was also decreased by removal of silver for sales under the terms of the Green Act (Public Law 137, approved July 12, 1943) and for lend-lease transactions. During the year 40,791,567 ounces of silver were sold under the Green Act and 211,359,650 ounces were lend-leased. The New York Assay Office manufactured coinage ingots containing 11,063,000 fine ounces of silver which were transferred to the Philadelphia Mint for use in domestic subsidiary silver coinage.

Additional amounts of silver were removed from West Point for use in defense plants. The total amount of silver loaned for that purpose to the Defense Plant Corporation, etc., amounted to 891,792,971 fine ounces on June 30, 1944, as compared with 699,819,332 fine ounces on June 30, 1943. This silver is to be returned to Treasury custody after it has performed its function.

The balance of silver in the Bullion Depository at West Point amounted to 513,706,973 fine ounces at the end of the year.

### *Gold operations*

Gold acquisitions by the mints and assay offices during the year, on the basis of classified melted receipts, amounted to \$58,524,200.77 and transfers between mint-service institutions amounted to \$1,040,831,947.20. These transactions totaled \$1,099,356,147.97, compared with \$208,006,481.87 for the prior year which included \$19,871,516.21 in inter-mint transfers.

Acquisitions in 1944 included \$10,764.13 of gold received at \$20.67 + per fine ounce. Increment on this gold amounted to \$7,459.44.

*Silver operations*

Treasury silver acquisitions during the year totaled 12,042,027.25 fine ounces. The total value, at an average of \$0.478 per fine ounce, equalled \$5,757,512.53. Acquisitions were as follows:

Item	Amount (fine ounces)	Value
Newly mined domestic silver.....	861,293.90	\$550,312.71
Silver contained in gold bullion deposits, etc.....	120,175.74	51,773.04
Silver received in exchange for Government stamped bars.....	231,250.14	101,749.96
Redeposits.....	10,829,307.47	5,053,676.82
Total.....	12,042,027.25	5,757,512.53

United States coin received for recoinage during the year amounted to 1,127,651.70 fine ounces, with a recoinage value of \$1,558,875.67. Unfit silver dollars with a face value of \$44,658,194.00 were melted, yielding 33,152,082.31 fine ounces of silver.

Transfers of silver between mint institutions amounted to 9,109,409.72 fine ounces, and foreign governments deposited 58,581,355.97 ounces of silver for foreign coinage, making a grand total of 114,012,526.95 fine ounces of silver handled.

During the fiscal year \$387,878 of silver certificates were issued against 300,000 fine ounces of silver bullion valued at \$1.29+ per fine ounce, the statutory monetary value of silver. This silver had been acquired at an average price of \$0.7111+ per fine ounce. The difference between the cost of the silver held to secure these certificates and the monetary value of such silver is \$174,545.00, and this amount constitutes seigniorage.

The open-market price of silver in New York (mean of bid and asked) remained at \$0.45062 throughout the fiscal year.

For newly mined domestic silver a return to the depositor of \$0.7111+ per fine ounce, established by the act of July 6, 1939, prevailed during the year.

*Refineries*

The three electrolytic refineries produced 4,031,631 fine ounces (138 tons) of electrolytically refined gold bullion and 4,385,482 fine ounces (150 tons) of silver bullion in 1944. During the prior year the quantities produced were 6,225,508 fine ounces (213 tons) of gold and 6,679,864 fine ounces (229 tons) of silver.

Stocks of unrefined gold and silver bullion in mint institutions decreased during the fiscal year 1944 by approximately 282.6 tons, leaving a total of 1,474.4 tons.

*Medals*

Production records of Mint history were broken in this fiscal year. The Mint Service through the facilities of the medal department of the Philadelphia Mint customarily makes all medals required by the Navy, Coast Guard, and Marines and many of those required by the



Army. Owing to the pressure of war work no medals are being produced by the Mint except those especially authorized by the Congress or for the armed forces.

Approximately 133,000 Navy service medals were struck during the year, an increase of about 57,000 medals over the previous year. There were 50,000 small bronze stars and 15,000 small gold stars struck for the Navy also, for use on service bars in lieu of additional medals or to depict participation in major engagements in the war. The Navy service medals struck during the year included the Navy Cross, Distinguished Service medal, Silver Star, Bronze Star, Distinguished Flying Cross, Navy and Marine Corps medal, Air medal, Purple Heart, Legion of Merit, and the China Service medal.

Medals awarded for service in various campaigns of the past were struck also. In addition, United States Treasury Gold Life Saving medals were made for presentation by the State Department, and Life Saving medals of the Second Degree, in silver, were ordered by the Coast Guard. Expert Rifleman and expert Pistol Shot medals were made also for the armed forces.

In addition, various commemorative medals out of stock sold to the public during the year were as follows:

Item	Number	Value
Gold medals.....	27	\$4, 216. 01
Silver medals.....	390	786. 95
Bronze medals.....	2, 470	2, 385. 10
Total.....	2, 887	7, 388. 06

### *Stock of coin and monetary bullion in the United States*

On June 30, 1944, the estimated stock of domestic coin in the United States totaled \$1,505,218,196 consisting of \$494,337,395 standard silver dollars, \$734,488,137 subsidiary silver coin, and \$276,392,664 minor coin.

The stock of gold bullion, including coin, held by the Treasury on the same date was valued at \$21,173,065,544, a decrease of \$1,214,456,564 from June 30, 1943. The stock of silver bullion was 2,139,693,743 fine ounces, a decrease of 290,576,279.

### *Production of gold and silver in the United States*

Domestic gold production (refinery product) during the calendar year 1943 totaled 1,394,522 fine ounces, with a monetary value of \$48,808,270, compared with 3,741,806 fine ounces, with a monetary value of \$130,963,210 in 1942. The largest annual gold production—6,003,105 fine ounces with a monetary value of \$210,108,700—occurred in 1940.

Domestic silver production (refinery product) during the calendar year 1943 totaled 40,820,639 fine ounces, a decrease of 15,270,216 ounces from the 1942 production of 56,090,855. The record silver production of 74,961,075 ounces was in 1915.

*Industrial consumption of gold and silver in the United States*

Gold consumption in arts and industries during the calendar year 1943 is estimated at \$96,864,353. Gold returned from industrial use amounted to \$10,521,000, giving a net industrial consumption of new gold during the year of \$86,343,353.

Silver used in arts and industries totaled 162,112,863 fine ounces, of which 129,940,686 fine ounces were of new material.

Compared with the calendar year 1942, there was an increase in the amount of gold and silver used in industry amounting to 603,482 and 30,693,639 fine ounces, respectively.

*General activities*

The regular income realized by the Treasury from the Mint Service during the fiscal year 1944 aggregated \$108,100,541, of which \$45,796,210 was seigniorage. The seigniorage on subsidiary silver coin was \$22,688,274 and on minor coin, \$23,107,936. Extraordinary income was \$61,705,178, representing profits on sale of silver bullion, and \$7,459 was increment to \$35 per ounce on revalued gold.

The number and value of deposits, transfers, gross income, and expenses for the fiscal year 1944, and the number of employees on June 30, 1944, at each institution are shown in the following table.

*Gold and silver deposits, income, expenses, and employees, by institutions, fiscal year 1944*

Institution	Number of bullion deposit transactions	Number of assay determinations on bullion deposits	Monetary value of gold and silver receipts, including transfers <sup>1</sup>	Gross regular income	Gross expenses	Excess of income or of expenses (-)	Number of employees June 30, 1944
Philadelphia .....	1,702	3,385	\$15,269,211	\$33,751,941	\$4,694,678	\$29,057,263	1,891
San Francisco .....	1,840	5,043	14,627,504	7,424,663	1,484,398	5,940,265	406
Denver .....	700	1,023	5,773,134	4,830,645	1,185,574	3,645,071	390
New York .....	2,812	4,084	1,089,690,300	62,077,118	607,394	61,469,724	164
Seattle .....	438	487	2,904,598	16,173	22,129	-5,956	6
Fort Knox .....					85,661	-85,661	35
Total .....	7,492	14,022	1,128,264,747	\$108,100,540	8,079,834	100,020,706	2,892
Bureau of the Mint .....					159,951	-159,951	49
Grand total .....	7,492	14,022	1,128,264,747	108,100,540	8,239,785	99,860,755	2,941
Prior fiscal year .....	15,406	23,019	284,975,597	74,278,461	6,631,434	67,647,027	2,188

<sup>1</sup> Includes inter-institution transfers, \$1,052,612,180.

## DIVISION OF MONETARY RESEARCH

The Division of Monetary Research in the Office of the Secretary provides information, economic analyses, and recommendations for the use of the Secretary of the Treasury and other Treasury officials to assist in the formulation and execution of the monetary policies of the Department in connection with the exchange stabilization fund, gold and silver, the flow of capital funds into and out of the United States, the position of the dollar in relation to foreign currencies, international monetary cooperation, monetary, banking, and fiscal policies of foreign

countries, exchange and trade restrictions abroad, and similar problems. In addition, the Division provides economic analyses in connection with the Treasury's Foreign Funds Control, and monetary and financial problems in occupied areas.

Analyses are also prepared relating to the customs activities of the Department and the duties of the Secretary of the Treasury under the Tariff Act and on other matters pertaining to international trade, including the trade agreement program.

The Division also is responsible for the economic and financial work in connection with the negotiation of exchange stabilization agreements made by the United States with foreign governments and central banks for the purpose of promoting international exchange stability. The Treasury's operations under these agreements are performed under the stabilization fund, which is administered by the Division.

#### BUREAU OF NARCOTICS<sup>1</sup>

The activities of the Bureau of Narcotics are directed toward the suppression and elimination of the illicit traffic in narcotic drugs and toward an effective control of the legitimate manufacture and distribution of such drugs for necessary medical uses.

During the fiscal year the activities of the Bureau resulted in an increased number of marihuana law violations reported and of arrests for violations of the marihuana laws. There were reductions in the number of narcotic law violations reported and in the number of arrests for violations of the narcotic laws, in the number of vehicles seized for violations of these laws, and in the quantities of narcotic drugs and marihuana seized and eradicated.

A comparison of these statistics for the years 1943 and 1944 is shown in the following table.

	Units	1943		1944	
		Narcotic laws	Marihuana laws	Narcotic laws	Marihuana laws
Violations reported.....	Number.....	2,431	796	2,168	902
Arrests.....	Number.....	1,794	777	1,711	918
Drugs confiscated:					
Narcotics.....	Ounces.....	2,289		1,431	
Marihuana:					
Bulk.....	Pounds.....		638		257
Seeds.....	Pounds.....		18		11
Cigarettes.....	Number.....		24,903		21,484
Growing plants.....	Number.....		108		271
Wild marihuana growth eradicated.....	Acres.....		4,747		150
Vehicles seized.....	Number.....	r 84	r 48	60	46

r Revised.

The table following shows in detail the number of violations reported under the narcotic and marihuana laws during the fiscal year, their disposition, and the penalties, as reported by Federal narcotic enforcement officers.

<sup>1</sup> Further information concerning narcotics is available in the separate report of the Commissioner of Narcotics.

*Number of violations of the narcotic and marihuana laws reported and their disposition and penalties, fiscal year 1944*

	Narcotic laws				Marihuana laws	
	Registered persons		Nonregistered persons		Nonregistered persons	
	Federal Court	State Court	Federal Court	State Court	Federal Court	State Court
Pending July 1, 1943.....	510		1,007		300	
Reported during 1944:						
Federal.....	428		1,292		518	
Joint.....	52		396		384	
Total to be disposed of.....	990		2,695		1,202	
Convicted:						
Federal.....	100	6	712	247	368	22
Joint.....	15	10	136	121	241	31
Acquitted:						
Federal.....	4		21	16	16	5
Joint.....			4	2	14	1
Dropped:						
Federal.....	272	5	242	47	127	5
Joint.....	23	1	38	51	64	9
Compromised: <sup>2</sup>						
Federal.....	178		1			
Joint.....	11					
Total disposed of.....	625		1,638		903	
Pending June 30, 1944.....	365		1,057		299	
	Years	Months	Years	Months	Years	Months
Sentences imposed:						
Federal.....	211	6	1,414	2	553	9
Joint.....	29	3	298	2	433	5
Total.....	240	9	1,712	4	987	2
Fines imposed:						
Federal.....	\$23,850.00	\$800.00	\$33,304.00	\$5,540.90	\$5,139.00	\$857.50
Joint.....	10,200.00	1,309.25	466.00	1,638.25	2,599.31	1,955.00
Total.....	34,050.00	2,109.25	33,770.00	7,179.15	7,738.31	2,812.50

<sup>1</sup> Federal cases are made by Federal officers working independently while joint cases are made by Federal and State officers working in cooperation with each other.

<sup>2</sup> Represents 190 cases which were compromised in the sum of \$32,248.

Registrations under the narcotic and marihuana laws during the year are shown by classes in the following table.

*Registrations under the Federal narcotic and marihuana laws, June 30, 1944*

	Narcotic law	Marihuana law
Importers, manufacturers, producers and compounders.....	152	7
Importers, manufacturers and compounders.....		22,031
Producers (growers).....		140
Dealers.....		
Wholesale.....	1,151	
Retail.....	47,940	
Practitioners.....	134,934	488
Dealers in and manufacturers of untaxed preparations.....	130,746	
Users for purposes of research, instruction or analysis.....	139	71
Total.....	315,062	22,737

<sup>1</sup> Includes registrations for which payment of occupational tax is not required under the law, because also registered in some other class.

Opium supplies continued to be available for import and additional quantities were imported during the year. Coca leaf supplies similarly continued to be ample, both for medicinal purposes and for the manufacture of nonnarcotic flavoring extracts.

The importation, manufacture, and distribution of both opium and coca leaves and their derivatives are subject to a system of quotas and allocations designed to secure their proper distribution for medical needs.

Exports of narcotic drugs decreased during the year as compared with 1943 but remained considerably above the pre-war level. Manufacture of opium derivatives continued high due to export requirements, the needs for military and naval operations, and the increased medical use of codeine by the civilian population.

The shortage of addiction drugs in the illicit markets was reflected in a marked increase in the number of thefts of narcotics from the stocks of wholesalers, retailers, and practitioners entitled to have them for medicinal needs. There was also a sharp increase in the quantity of drugs reported stolen.

#### DIVISION OF PERSONNEL

The Division of Personnel is charged with the supervision of the personnel activities of the entire Department, and its general functions include initiating, planning, and formulating personnel policies, procedures, practices, and programs, and coordinating and exercising control over the Department's personnel operations so that they will conform to approved policies and procedures. The functions of the Division are principally in the nature of advisory and control activities, with the personnel operations of the Department being actually carried out in the personnel units of the several branches, bureaus, and offices. This decentralization of personnel work, with control being retained in the central personnel office, is in line with the Department's policy of facilitating and strengthening the functioning of the operating organizations.

The activities of the Division include those relating to position-classification, salary administration, recruitment, placement, appointment, promotion, separation, retirement, discipline, investigation, efficiency rating, employee relations, leave, forms and records, training, and civil service rules and regulations.

Throughout the fiscal year 1944, the Division was engaged in fostering, developing, and maintaining a comprehensive program of personnel management, in the interests of bettering employee-employer relations, attaining higher standards of performance, and increasing the over-all efficiency and effectiveness of administration for the entire Department.

During the year the Division considered and acted upon 161,635 personnel recommendations relating to the appointment, promotion, reassignment, retirement, suspension, and separation of employees.

#### COMMITTEE ON PRACTICE

The Committee on Practice is an administrative and judicial body. It has charge of the enrollment of attorneys and agents for practice before the Treasury Department and conducts hearings in disbarment proceedings. An attorney, not a member of the committee, repre-

sents the Government before the committee. All complaints are filed with the attorney for the Government, who institutes proceedings in disbarment or suspension if the charges warrant such action. The committee also issues licenses to customhouse brokers and makes findings of fact and recommendations to the Secretary in proceedings for the revocation or suspension of such licenses.

The following statement summarizes the work of the committee for the fiscal year 1944.

Attorneys and agents:	Number
Applications for enrollment approved.....	2,613
Applications for enrollment disapproved.....	11
Applications withdrawn on advice of committee.....	111
Formal hearings on applications.....	0
Complaints against enrolled persons:	
Pending July 1, 1943.....	27
Filed during the year.....	19
	46
Disposed of:	
Disbarred.....	6
Stricken from the rolls in the course of disbarment proceedings.....	4
Suspensions.....	2
Reprimands.....	3
Dismissed.....	6
	21
Pending June 30, 1944.....	25
Charges made, names stricken from the rolls.....	4
Cases of minor infractions of the regulations in which enrollees were given an opportunity to show cause why proceedings should not be instituted.....	10
Customhouse brokers:	
Applications for licenses approved.....	35
Applications withdrawn.....	3
Licenses canceled.....	29
Licenses revoked.....	0
Suspensions.....	0
Reprimands.....	0

Since the organization in 1921 of the Committee on Practice, 66,650 applications for enrollment have been approved and 773 disapproved. Two hundred and fifty-two practitioners have been disbarred from further practice before the Treasury Department, 139 have been suspended from practice for various periods, and 183 have been reprimanded.

### PROCUREMENT DIVISION

The main functions of the Procurement Division are the determination of policies and methods of procurement, warehousing, and distribution of property, facilities, improvements, machinery, equipment, stores, and supplies, and the procurement of materials, supplies, and equipment for all Federal establishments and their field offices, except the Army, the Navy, and the United States Maritime Commission.

The following table summarizing the expenditures for purchases made by the Procurement Division during the fiscal years 1943 and 1944 indicates the breadth of its various purchasing activities.

Object	1943	1944
Regular activities <sup>1</sup> .....	\$59,259,734	\$24,746,536
Defense aid (lend-lease).....	1,470,111,263	1,086,587,324
Strategic and critical materials.....	4,881,673	7,024,540
Foreign war relief (American Red Cross).....	2,568,832	4,347,557
Emergency relief.....	41,096,883	82,478
Defense housing.....	15,905,289	14,602
Total purchases.....	1,573,823,674	1,122,803,637
Purchases by other agencies from the General Schedule of Supplies.....	234,673,727	296,977,584

<sup>1</sup> Revised.

<sup>1</sup> Purchases of supplies procured for other agencies or for stock for issue to other agencies.

Purchases of supplies for other agencies declined during the year by \$14,513,198 to \$24,746,536. On the other hand, purchases by other agencies from the General Schedule of Supplies of articles and equipment under contract increased by \$62,303,857, reaching an all time high of \$296,977,584. Included in the latter amount was \$118,082,123 of purchases of aeroplane tires.

A discussion of purchases of lend-lease material and of strategic and critical materials appears on pages 123 and 125.

Purchases for foreign war relief increased by \$1,778,725 during the year to \$4,347,557. These purchases included clothing and medical supplies obtained for distribution through the American Red Cross to nationals of countries suffering from the hardships of war.

The emergency relief and defense housing programs were drastically reduced because they were under liquidation.

*General supply fund.*—This special fund was established pursuant to the act of February 27, 1929 (45 Stat. 1341), and is available to finance the stock, consolidated purchases, and services authorized under Executive Order No. 6166, dated June 10, 1933. It is a revolving fund from which payments are made for commodities purchased and services performed for other agencies and to which collections made direct from the applicable appropriations are credited by transfer and counter-warrant.

A statement of the assets and liabilities of the general supply fund as of June 30, 1944, follows.

Assets	Amount	Liabilities and capital	Amount
Current assets:		Current liabilities:	
Cash .....	\$3,921,638.47	Accounts payable .....	\$2,542,242.01
Accounts receivable .....	3,303,644.81	Unearned income .....	72,071.12
Total .....	7,225,283.28	Total .....	2,614,313.13
Inventories and deferred charges:		Appropriations and capital:	
Inventories (at cost) .....	3,571,212.47	Capital .....	8,020,196.07
Deferred charges .....	81,318.59	Donated capital .....	192,899.17
Total .....	3,655,531.06	Surplus .....	53,405.97
Total assets .....	10,880,814.34	Total .....	8,266,501.21
		Total liabilities and capital .....	10,880,814.34

*Storage and warehousing.*—Procurement Division Regional Warehouse and Supply Centers have been established in New York, N. Y., Fort Worth, Tex., and San Francisco, Calif., and as a result of a survey of Federal civil establishment warehouses which maintain stores for use, consumption, or issue, the Procurement Division has undertaken a Federal warehousing program in which it is consolidating these agency warehouses into its Regional Warehouse and Supply Centers or coordinating them with its Centers. In addition to providing warehouse service to the agencies whose warehouses are consolidated or coordinated, each Regional Warehouse and Supply Center is organized to render complete purchasing, contract, and stores service to the field offices of all Government agencies. Stores are issued direct to the using office, eliminating rehandling by intermediary facilities.

The District of Columbia warehouse operates to meet the common supply needs of Government agencies in the greater Washington area and within the territory delineated by economical shipping distances

from Washington in relation to the established Regional Warehouse and Supply Centers in other locations. In addition it serves as a national warehouse to distribute articles which, by their nature, source of supply, or quantities required can be more economically supplied to the regional supply centers in that manner.

The Inspection Division is equipped to inspect materials, supplies, and equipment received for stock by the Procurement Division warehouse. Inspections are also conducted upon the request of any Government agency for materials that are purchased by the Procurement Division and delivered direct to the ordering agency. In many cases bidders are required to submit samples of their merchandise. These samples are received, checked, and tagged with proper identification and are placed on exhibit so that they may be examined by representatives of all Government agencies.

The Fuel Yard is the distributing agency for coal, fuel oils, wood, charcoal, and coke used by the Federal and District Governments at office buildings, housing units, institutions, hospitals, schools, police stations, fire houses, and Army and Navy posts in the District of Columbia and vicinity.

*Surplus property disposal.*—During the year the Procurement Division disposed of \$88,260,017 of surplus property as compared with \$9,076,000 \* in 1943. A discussion of the activities in this connection will be found on page 123 of this report.

*Public utilities.*—The Procurement Division performs the technical work required to achieve the most efficient and economical use and procurement of utility services for the various agencies of the Federal Government. Such services include wire communication by telephone and telegraph, as well as electric power and gas.

Research and analysis were carried on during the year to develop bases for negotiating consolidated contracts, and other arrangements whereby the cost of the above services could be minimized. The program of negotiating such contracts, covering the Government's use of particular utility services in the larger metropolitan areas, was vigorously prosecuted. This program should result not only in decreased cash outlays for utility services, but also in considerable savings in administrative time and effort in contracting for those services. Supervision was maintained over the existing consolidated contracts covering electric, telephone, and gas service taken by Federal agencies in Baltimore, New York, Philadelphia, and the District of Columbia.

The Division's efforts have resulted in considerable total savings. Certain of those, mentioned in the last report, are recurring savings. Thus, again this year telephone service in the District cost \$200,000 per year less than it would have prior to the negotiation in June 1943 of a more equitable schedule of charges for certain items of telephone service.

As a result of further study of electric costs in the District, and after an extensive hearing before the Public Utilities Commission, in which hearing the Division actively participated, electric rates were reduced by over \$1,000,000 per year. The Federal Government's share of the reduction will be in the neighborhood of \$350,000 per year.

The above benefits were obtained through the general efforts of the

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\* Revised.



Division, with no special staff whose direct and sole responsibility was the economical procurement of utility services. As a result of such a limitation little was or could have been done in other centers of great governmental activity. The potentialities of this work were so large that the necessary approval and appropriation were obtained for the formal organization, as of July 1, 1944, of a Public Utilities Division within the Procurement Division. Certain key personnel were recruited, and it is expected that even greater savings and administrative simplicity than heretofore will be achieved.

*Renegotiation of contracts.*—Under existing law directing the renegotiation of contracts the Procurement Division has completed work with 234 contractors. Of this number, it was determined that forty-six contractors had realized excessive profits totaling \$9,224,000. In addition to these, a review of other contracts resulted in reductions in contract value amounting to \$298,569, the total of excessive profits and reductions determined being \$9,522,569.

*Contract termination.*—Frequently Procurement Division contracts have to be canceled before completion, because, for a variety of reasons, there is no further need for the particular materials involved. The Procurement Division has effected 86 such terminations, 50 of which involved no additional costs to the Government. Of the remaining 36 on which termination claims have been received, 17 were settled as of June 30, 1944. Under directive orders of the Director of War Mobilization and prior authorizations there has been established in the Procurement Division a Contract Termination Settlement Review Board consisting of five members all of whom with the exception of the chairman serve in an ex officio capacity.

*Specifications.*—A continuing survey of the changes in the availability of materials, made in collaboration with the War Production Board, resulted in the issuance of 223 amendments to existing Federal Specifications and the cancelation of 192 Emergency Alternate Federal Specifications, which were originally issued during the most critical period of shortages of materials. A total of 74 new and 97 revised Federal Specifications were promulgated, bringing the number of Federal Specifications in effect as of June 30, 1944, to 1,577.

During the year, 52 new and revised Procurement Division Specifications were issued for materials and supplies being currently procured under the General Schedule of Supplies. A Procurement Division Specification prepared for duplicating process liquid has resulted in savings of many thousands of dollars by the development and inclusion of a broadened range of satisfactory commercial materials. There were 327 Procurement Division Specifications in effect as of June 30, 1944.

*Standards Division.*—The duties of the Standards Division concern the preparation and revision of publications listing and classifying supplies procured, stored, and issued by the various departments and establishments of the Federal Government. Considerable work has been done for the Army Service Forces in the development and preparation of catalogs, indexes, and cross reference tables to meet Army needs. Material has been prepared to enable accurate classification of property to be inventoried for disposal in connection with the surplus property program. This is vital to the identification and classification of the multitude of articles which will be available for disposition.

*Printing and binding.*—Procurement of printing and binding for the various bureaus and divisions of the Treasury Department and other agencies totaled \$6,922,840. Of this amount \$5,684,731 represents printing obtained from the Government Printing Office and \$1,238,109 that was authorized to be obtained from other sources.

*Conservation of supplies and material.*—A plan to stimulate interest in the conservation of supplies and equipment was inaugurated and presented to all departments and agencies of the Government, including the Government of the District of Columbia. The plan was adopted and has been instrumental in reducing the quantities of supplies used, the salvage of usable material, and in encouraging better care of equipment, especially typewriting machines. Coordination and encouragement of the work is maintained by the Procurement Division through its general conservation liaison officer.

*Blind-made products.*—During the fiscal year purchases of products made by blind persons under the Wagner-O'Day Act amounted to \$7,314,303. Participating in the program are fifty-two institutions in which employment was given to 2,452 blind persons.

#### DIVISION OF RESEARCH AND STATISTICS

The Division of Research and Statistics, in the Office of the Secretary, serves as a technical staff for the Secretary, the Under Secretary, and other Treasury officials on matters relating to the economic aspects of fiscal operations and policies, particularly as they concern borrowing, and on the estimated volume and source of future revenues, actuarial analyses involved in certain Treasury functions, and various general economic problems arising in connection with Treasury activities.

The sources of funds available for Federal borrowing are analyzed so as to show where and in what volume income is being generated and savings are being accumulated. These findings are interpreted for use in setting goals for borrowing and in planning the programs to reach these goals, and for the use of the bond sales organization in connection with war loan drives and other sales activities.

The suitability of various types of securities for different classes of investors and for specific operations and programs are analyzed and recommendations are made with respect thereto, taking into account both the adaptability of the securities for attaining the goals set for each particular operation and the long-run effects of the issuance of each type of security on the economy and on the cost of financing the war. Studies are made of the level and structure of interest rates and of the factors affecting them. Analyses and recommendations are prepared with respect to legislation having a present or prospective effect upon the market for Government securities.

Detailed information on sales of Government securities, received through a statistical reporting system set up in the Federal Reserve Banks and in the Bureau of the Public Debt in the Treasury Department, are analyzed in the Division so that the Secretary and other Treasury officials can have at all times a complete picture of the volume and distribution of sales; can measure progress towards the long-range goals set for Government borrowing; can gauge the suitability of various kinds of securities for the classes of investors for which they were designed; and can determine the effectiveness of various methods of offering.

Estimates of tax revenues under existing tax laws are prepared in the Division for use in planning financing operations in the Treasury and for incorporation in the President's Budget messages to Congress. In connection with proposals for new tax legislation, estimates are prepared by the Division at the request of Treasury officials and committees of Congress, to show what increases or decreases in revenue may be expected to result from various suggestions for changes in or additions to the existing tax structure.

The Government Actuary, who is on the staff of the Division, is a member of the Board of Actuaries established under the Civil Service Retirement Act, and is the Treasury Department's representative on the Actuarial Advisory Committee of the Railroad Retirement Board. He is responsible for the estimates which have to be prepared each year, in accordance with statutory provisions, to show the amount of the annual appropriations required to be made to the foreign service retirement and disability fund and to the District of Columbia teachers' retirement fund, and makes various other actuarial analyses.

### SECRET SERVICE DIVISION

The Secret Service Division is charged principally with the suppression of counterfeiting, forging, or alteration of obligations and securities of the United States and foreign countries, and of counterfeiting of coins; investigations of the forgery of endorsements on, or the fraudulent negotiation of, United States Treasury checks, of violations of certain other Federal statutes, of thefts of Government property under the control of the Treasury Department, of loss of valuables in shipments by Government agencies, and of applicants for positions in the Treasury Department; and the protection of the President of the United States and his immediate family, of the Treasury Building and other buildings housing Treasury Department activities, of the production, transportation, and storage of obligations and securities of the United States, and of valuable papers stored in Treasury Department vaults and buildings.

*Crime prevention program.*—The Secret Service crime prevention program continues to be an effective method for combatting the activities of forgers and counterfeiters. With mustering-out payments to soldiers and sailors added to the approximately 300 million Government checks issued to dependents of soldiers and sailors, to Social Security beneficiaries, to farmers and others, the need for this program is greater than ever and the Secret Service is stressing the value of preventive methods in its "Know Your Endorser" campaign against check thieves and forgers.

Newspapers, magazines, radio stations, book publishers, and organizations including the American Bankers Association have rendered valuable help in the Nation-wide effort to show the public the tricks of check thieves and forgers.

"Know Your Money" study has become a part of the curricula of some 12,000 high schools in all parts of the United States including those of New York City. In New England thousands of high school students participated in 34 essay contests on the same subject for which local bankers offered cash or war bonds as prizes.

*Enforcement activities.*—Forgers arrested during the fiscal year 1944 totaled 1,691 as compared with 1,004 in 1943. Convictions for check

forgery were 1,480 in 1944 and 881 in the previous year. In Memphis, Tenn., an employee of the Memphis District U. S. Engineers was arrested for forging checks totaling \$7,500. His operations were discovered by the Secret Service when fellow employees received notifications of their 1943 incomes for tax purposes and complained that the amounts reported were far in excess of their actual earnings. In Atlanta, Ga., Secret Service agents arrested a check thief for stealing and forging nine \$100 checks issued to soldiers as mustering-out pay. Many of the forgers arrested during the year were juveniles. In Louisville, Ky., six boys ranging in age from 12 to 14 years were arrested for stealing and forging a number of Government and commercial checks. In Altoona, Pa., two 19-year-old girls were arrested for the theft and fraudulent negotiation of quantities of Treasury checks, post office money orders, and commercial checks.

Counterfeiters arrested during the year totaled 55 as compared with 159 in 1943. Convictions for counterfeiting were 54 in 1944 and 123 in the previous year. There were four new counterfeit note issues during 1944. In two of these cases only one counterfeit note each appeared. Makers of the third issue were captured in Seattle. The fourth issue originated in Barcelona, Spain, and did not circulate in the United States. In Bremerton, Wash., a counterfeiting plant for the manufacture of very deceptive \$10 and \$20 notes was captured and its three operators were arrested and sentenced to five, six, and ten years. Agents also seized 5 plates for counterfeit notes, 2 zinc plates for "rubber money," simulating currency, 5 zinc plates for aeroplane ration stamp No. 2, 14 genuine electrotypes for war ration book No. 1 and shoe ration stamp No. 18, stolen from the Government Printing Office, 1 zinc plate with 72 impressions of sugar ration stamps Nos. 29 to 40, 3 printer's chases holding cuts for inscription on gas ration stamps, 5 plates for the eagle design on gas ration stamps, 7,628 counterfeit 12-pfennig German postage stamps, and 2 cuts used in their manufacture, 11 film negatives for gasoline ration stamps, 50 film negatives for faces and backs of counterfeit bills, 1 glass negative, 5 metal molds for counterfeit coins, 31 plaster molds for counterfeit coins, 1½ steel dies, 4 plates for old series Canadian bottled-in-bond liquor stamps, 15 counterfeit bottled-in-bond liquor stamps, 155 counterfeit tax-paid strip stamps, 21 sheets of genuine war ration book paper stolen from the Government Printing Office, 1 power press, 4 cameras, and 29 reproductions of faces of United States paper money, the reverse sides bearing Axis propaganda in various languages. In cooperation with the Office of Price Administration, the Secret Service also seized thousands of counterfeit ration stamps for gasoline and other commodities. Such stamps were held by the Office of Price Administration for proper disposition.

Secret Service agents arrested five employees of the Government Printing Office for making counterfeit war ration shoe stamps No. 18 from genuine electrotypes on genuine paper, both stolen from the Government Printing Office by the offenders. The five are under indictment awaiting trial.

In cooperation with investigators of the Office of Price Administration, Secret Service agents arrested 192 persons for the manufacture, use, or distribution of counterfeit war ration stamps and convicted 149 offenders.

The public losses through acceptance of counterfeit bills were reduced from \$22,079 in 1943 to \$18,456 in 1944, a decrease of 16.4

percent. Losses from counterfeit coins dropped more than 45.4 percent from \$16,310 in 1943 to \$8,906 in 1944. The total representative value of false bills and coins seized and circulated in 1943 was \$65,693 and for the current year this total aggregated only \$47,061, a drop of 28.4 percent. This was the seventh successive year showing a reduction in counterfeit violations.

During the year 29,713 investigations were completed and 2,415 offenders were arrested. Convictions were obtained in 97.9 percent of the 2,121 criminal cases brought to trial as compared with 98.0 percent of the 1,515 cases in the previous year. The 1944 record of convictions was achieved despite the fact that 41 percent of the male employees of the Secret Service were in the armed services.

Fines in criminal cases in 1944 totaled \$47,968 and imprisonments totaled about 1,829 years. Additional sentences totaling about 1,984 years were suspended or probated.

The following tables present data relating to the activities of the Secret Service.

*Counterfeit money seized, fiscal years 1943 and 1944*

	1943	1944	Increase or de- crease (-)	Percentage increase or de- crease (-)
Counterfeit and altered notes seized:				
After being circulated .....	\$31,337	\$26,611	-4,726	-15.08
Before being circulated .....	13,572	5,376	-8,196	-60.39
Total .....	44,909	31,987	-12,922	-28.77
Counterfeit coins seized:				
After being circulated .....	19,443	14,607	-4,836	-24.87
Before being circulated .....	1,340	466	-874	-65.22
Total .....	20,783	15,073	-5,710	-27.47
Grand total .....	65,692	47,060	-18,632	-28.36

*Number of investigations of criminal and noncriminal activities, fiscal years 1943 and 1944*

	1943	1944	Increase or de- crease (-)	Percentage increase or de- crease (-)
Criminal cases:				
Making or passing:				
Counterfeit notes .....	258	136	-122	-47.29
Counterfeit coins .....	234	87	-147	-62.82
Altered obligations .....	183	166	-17	-9.29
Forgery of Government checks .....	10,364	18,168	7,804	75.30
Stolen or altered bonds .....	145	441	296	204.14
Violation of Gold Reserve Act .....	112	69	-43	-38.39
Violation of Farm Loan Act .....	14	6	-8	-57.14
Protective research .....	9,122	6,907	-2,215	-24.28
Stamp and strip stamps .....	37	16	-21	-56.76
Theft of Treasury Department property .....	10	21	11	110.00
False claims .....	15	33	18	120.00
War ration stamps .....	28	132	104	371.43
Miscellaneous .....	447	288	-159	-35.57
Total .....	20,969	26,470	5,501	26.23
Noncriminal cases:				
Personnel (applicants) .....	5,531	2,897	-2,634	-47.62
Surveys .....	79	42	-37	-46.84
Government losses in shipment .....	73	117	44	60.27
Miscellaneous .....	240	187	-53	-22.08
Total .....	5,923	3,243	-2,680	-45.25
Grand total .....	26,892	29,713	2,821	10.49

*Number of arrests and cases disposed of, fiscal years 1943 and 1944*

	1943	1944	Increase or de- crease (-)	Percentage increase or de- crease (-)
Arrests for:				
Making or passing:				
Counterfeit notes.....	45	25	-20	-44.44
Counterfeit coins.....	114	30	-84	-73.68
Altered obligations.....	72	98	26	36.11
Forgery of Government checks.....	1,004	1,691	687	68.43
Violation of Gold Reserve Act.....	27	1	-26	-96.30
Violation of Farm Loan Act.....	3	3	0	0
Stolen, altered, or forged bonds.....	32	93	61	190.62
Protective research.....	318	233	-85	-26.73
Stamp and strip stamps.....	13	4	-9	-69.23
False claims.....	4	5	1	25.00
Theft of Treasury Department property.....		11	11	100.00
War ration stamps.....	86	192	106	123.26
Miscellaneous.....	71	29	-42	-59.15
Total.....	1,789	2,415	626	34.99
Cases disposed of:				
Convictions in connection with:				
Counterfeit notes.....	30	19	-11	-36.67
Counterfeit coins.....	93	35	-58	-62.37
Altered obligations.....	74	74	0	0
Forgery of Government checks.....	881	1,480	599	67.99
Violation of Gold Reserve Act.....	43	4	-39	-90.70
Violation of Farm Loan Act.....	5	3	-2	-40.00
Stolen, altered, or forged bonds.....	21	68	47	223.81
Protective research.....	300	224	-76	-25.33
Stamp and strip stamps.....	12	2	-10	-83.33
False claims.....		3	3	100.00
Theft of Treasury Department property.....		7	7	100.00
War ration stamps.....	5	149	144	2,880.00
Miscellaneous.....	20	9	-11	-55.00
Total.....	1,484	2,077	593	39.96
Acquittals.....	31	44	13	41.94
Dismissed, not indicted, or died before trial.....	169	206	37	21.89
Total cases disposed of.....	1,684	2,327	643	38.18

*Protective activities.*—In the protection of the President of the United States, Secret Service agents encountered and solved many new security problems incident to his historic trips to Canada, Cairo, and Teheran.

The Uniformed Force of the Secret Service protected a total of \$492,500 millions in money, stamps, bonds, and other Government securities in production and storage and over \$204,367 millions in transit. Other security duties of the Uniformed Force involved protection of the Bureau of Engraving and Printing, the Treasury Building, and other buildings housing Treasury Department activities, including the Merchandise Mart in Chicago, Ill., where a branch of the Bureau of the Public Debt is in operation.

#### OFFICE OF THE TAX LEGISLATIVE COUNSEL

The Office of the Tax Legislative Counsel provides the legal and technical assistance necessary in connection with planning and coordinating the recommendations of the Treasury Department for internal revenue legislation. It represents the Department before congressional committees considering tax legislation and assists in drafting such legislation.

During the fiscal year 1944, the efforts of the Office were directed primarily to the Revenue Act of 1943 and the Individual Income Tax Act of 1944. In addition to advice as to the content of the Individual

Income Tax Act of 1944 and assistance in drafting its provisions, the Office also took part in the work begun on forms and regulations necessary to the administration of the simplified individual income tax system.

The Office reviews all internal revenue regulations and advises the Secretary with respect thereto; in the fiscal year it reviewed over one hundred Treasury decisions revising such regulations. It also supervised the preparation of Department reports upon 79 bills concerning internal revenue laws; participated in numerous conferences with individuals, private organizations, and other governmental agencies on taxation; began extensive studies, in collaboration with committees of tax experts outside the Government; assisted in the preparation of Regulations 111, 112, and 115 relating to the income tax, excess profits tax, and collection of income tax at source on wages; and handled a large volume of correspondence containing recommendations for revenue legislation and inquiries about existing legislation.

#### DIVISION OF TAX RESEARCH

The Division of Tax Research deals with the economic and technical aspects of taxation. Its function is to assemble the facts and prepare the analyses (other than legal) necessary (a) to formulate Treasury tax policy and (b) to meet requests from such sources as the congressional committees dealing with taxation. In this connection the Division conducts surveys and prepares reports and studies for the use of the Secretary of the Treasury, the Under Secretary, and other designated officials of the Treasury Department. Upon request, the Division also provides information on various tax matters for the use of the President, the Ways and Means Committee of the House of Representatives, the Finance Committee of the Senate, the Joint Committee on Internal Revenue Taxation, and several Federal agencies.

To carry out its functions, the Division is required to make basic surveys of the tax problems of the Federal Government, to devise alternative methods of meeting revenue requirements, and to develop methods of adjusting the tax system to changing economic conditions. The tax system as a whole is analyzed with a view to obtaining revenue yields large enough to meet prospective revenue requirements and to making adjustments in a manner which will be fair to taxpayers and will avoid undesirable economic effects. Individual taxes are studied (1) to determine their effects on the particular groups of taxpayers involved, (2) to avoid inequity among taxpayers within a given group, (3) to ascertain and develop methods of meeting the administrative and compliance problems of the tax, and (4) to devise ways of integrating the particular tax with the tax system as a whole. These studies require economic analyses of the effects of each tax; technical analyses of the more complicated problems inherent in various tax measures; and statistical analyses of the distribution of the burden of specific taxes, of the total Federal tax load, and of the combined Federal, State, and local burden.

The interrelationships of Federal, State, and local taxes are studied with a view to possible improvements in intergovernmental fiscal relations. Specific State and local taxes are also examined not only to determine the combined effect of such taxes and Federal taxes but

also to assure the Federal Government of the benefit of State and local tax experience. Likewise, to gain the benefit of foreign experience and to compare tax policies, studies are made of foreign tax systems and selected taxes in foreign countries.

The Director and members of the Division assist in the presentation of the Treasury's tax program to the congressional committees, and are frequently called upon for technical assistance to those committees. Conferences are held with members of the committees and with the staff of the Joint Committee on Internal Revenue Taxation for the purpose of explaining various aspects of Treasury tax proposals and assisting in the analysis of tax measures under congressional consideration. Members of the Division also participate in conferences with taxpayers who desire to call special problems to the attention of the Treasury Department.

The Division is also responsible for the assembling and publication of all statistical information pertaining to Federal taxation and, in this connection, exercises general supervision over the statistical work of the Bureau of Internal Revenue. The Division handles Treasury correspondence relating to matters of taxation not involving legal questions.

During the fiscal year 1944 the major efforts of the Division were applied to the Revenue Act of 1943 and the Individual Income Tax Act of 1944. Work on the Revenue Act of 1943 dealt primarily with additional means of raising revenue to finance the war and help combat inflation, but considerable attention was also directed to the problem of simplifying the individual income tax. The Revenue Act of 1943 became law on February 25, 1944, over the President's veto.

Extensive work on individual income tax simplification culminated in legislative action during the first half of 1944. The Division of Tax Research, cooperating with the staffs of the Bureau of Internal Revenue, the Office of the Tax Legislative Counsel, and the Joint Committee on Internal Revenue Taxation, aided the congressional committees in developing simplification plans. The bill embodying these plans became law on May 29, 1944.

#### WAR FINANCE DIVISION

The War Finance Division of the Office of the Secretary is charged with the responsibility of promoting the sale of all securities offered to the public by the Treasury Department during war loan drives and of United States savings bonds between drives.

This Division during the fiscal year devoted the major part of its efforts to an educational and informational program aimed at three main objectives: (1) To augment public participation in the war financing program, (2) to draw off into savings the increased earnings of the public, and thereby (3) to provide the people with a reserve of personal savings for the post-war period.

The country-wide bond selling organization of the War Finance Division consists almost entirely of volunteers. A War Finance Committee is in operation in each State and also in the District of Columbia, Alaska, Hawaii, and Puerto Rico, under the direction of a State Chairman. Working with the State Chairman are county and local volunteer committees. The national office in Washington provides the basic promotion material—pamphlets, posters, and other publicity media.



The War Finance Division is divided into three major parts, working under the National Director, who is an Assistant to the Secretary, and who is responsible for promoting the war financing program.

The Field Division operates under the supervision of the Assistant National Director (Field Director) who is responsible for the organization and supervision of the operation of the various field offices in the States, as well as for the formulation of policies and the preparation of instructions for the guidance of the State offices in promoting the sale of Government securities. In this Division are a number of sections with more or less specialized spheres of activity. The National Organizations Section is responsible for contacting national labor organizations, patriotic and civic groups, and business and fraternal organizations. The Payroll Savings Section is concerned with the important task of promoting at the national level, and assisting State organizations to promote, the payroll savings plan for the installment purchase of war savings bonds. The Women's Section is concerned with the integration of women's organizations in all phases of sales promotion. Other sections of the Field Division deal with schools, motion pictures and special events, retail stores, agricultural organizations, and other activities.

The Publicity and Promotion Division formulates publicity and promotion campaigns for recommendation to the State committees and for use at the national level. This Division is responsible for securing the cooperation of all publicity sources; for stimulating national advertising by radio, newspapers, magazines, bill boards, and other media; and for the designing of posters, albums, pamphlets, etc., used in promoting the sale of Government securities.

The Administrative Division, under an Assistant to the National Director, is charged with all administrative functions of the War Finance program.

During the fiscal year there were three war loans, during which the sales of securities were confined to nonbank investors. The Third War Loan drive in September 1943 had a goal of \$15 billions, and actual sales were \$18.9 billions; the Fourth War Loan in January 1944 had a goal of \$14 billions, while actual sales were \$16.7 billions; and the Fifth War Loan in June 1944 had a goal of \$16 billions, with sales of \$20.6 billions.

Sales of savings bonds of Series E, F, and G during the fiscal year amounted to \$15,498 millions, an increase of \$2,709 millions over the previous year. Sales of war savings stamps during the year aggregated \$409 millions, a decrease of \$181 millions as compared with the previous year.

The number of persons participating in payroll savings plans increased from 26.8 millions on June 30, 1943, to 27.6 millions on June 30, 1944, and the deductions from pay envelopes increased from \$415 millions in June 1943 to \$540 millions in June 1944. The deductions in June 1943 were 9.0 percent of the total pay of those participating, while in June 1944 the deductions were 10.6 percent.

At the beginning of the Fifth War Loan it was estimated that 81 million persons, representing almost 60 percent of the population of the entire country, had bought 600 million separate Series E bonds.

Further details on savings bonds and stamps and the payroll savings plans will be found on pages 48 to 60.

## INTERDEPARTMENTAL WAR SAVINGS BOND COMMITTEE

The Interdepartmental Committee for the Voluntary Payroll Savings Plan, established by Executive Order No. 9135, dated April 16, 1942, continued its work during the year in promoting the plan for the purchase of savings bonds by the civilian employees of the Government, and cooperated further with the War and Navy Departments in extending the plan to the armed forces. The Committee also took an active part in the war loan drives by soliciting the employees for extra purchases of bonds for cash.

Federal civilian employees increased their monthly payroll allotments from \$40,463,000 in June 1943 to \$52,912,000 in June 1944. At the close of the fiscal year 2,220,000 civilian employees were investing 11.6 percent of their current gross pay each pay day. The popularity of this systematic method of saving is growing among the Federal employees, the number of Federal civilian participants having increased by 266,000 over the previous year.

During the year, with the approval of the Postmaster General, the plan was inaugurated in the Baltimore, Md., and Washington, D. C., post offices with notable success, and it is hoped that the benefits of the plan will be made available to the employees in other post offices at an early date.

The following table shows the number of Federal civilian employees participating in the payroll savings plan, the amounts of their monthly allotments for war savings bonds, and the average monthly investment per employee.

Month	Number of Federal civilian employees par- ticipating	Monthly in- vestments through pay- roll allotments	Average monthly investment per em- ployee
1943—January.....	1, 527, 168	\$28, 981, 367	\$18. 98
February.....	1, 604, 069	29, 405, 153	18. 33
March.....	1, 669, 866	32, 181, 640	19. 27
April.....	1, 794, 080	36, 608, 175	20. 40
May.....	1, 880, 071	37, 211, 859	19. 79
June.....	1, 953, 333	40, 463, 370	20. 63
July.....	1, 957, 907	41, 121, 383	21. 00
August.....	1, 956, 746	41, 296, 613	21. 10
September.....	1, 954, 100	41, 391, 423	21. 18
October.....	2, 002, 158	44, 869, 647	22. 41
November.....	2, 025, 172	44, 316, 386	21. 88
December.....	2, 051, 856	45, 150, 841	22. 00
1944—January.....	2, 044, 346	45, 492, 984	22. 25
February.....	2, 081, 240	47, 295, 991	22. 72
March.....	2, 145, 345	50, 842, 113	23. 70
April.....	2, 152, 924	49, 529, 445	23. 01
May.....	2, 148, 182	49, 905, 968	23. 23
June.....	2, 219, 559	52, 911, 784	23. 84

In addition to the regular monthly purchases of savings bonds through payroll savings, Federal civilian and military personnel have given full support to the war loan drives by purchasing extra bonds for cash. The following table shows the purchases through payroll allotments and for cash during the Third, Fourth, and Fifth War Loan drives.

[Millions of dollars]

War Loan	Civilian personnel	Military personnel	Total
Third (Sept. 1 through Oct. 16, 1943).....	\$115.9	\$70.2	\$186.1
Fourth (January and February 1944).....	197.7	156.6	354.3
Fifth (June and July 1944).....	234.6	218.2	452.8
Total.....	548.2	445.0	993.2

Over 4,856,000 members of the armed forces in June 1944 purchased \$72,020,000 of savings bonds through the payroll savings plan. This was an increase during the year of 2,525,000 in the number of participants and \$45,709,000 in the amount of monthly investments.

Total purchases of savings bonds by civilian and military personnel during the fiscal year, through payroll allotments and for cash, amounted to \$1,555,992,000, an increase of \$900,259,000 over the accumulated purchases through June 30, 1943.

The following table shows the payroll allotments and cash purchases of bonds by civilian and military personnel by months during 1944 and the total purchases from the beginning of the payroll savings program.

Period	Payroll allotments		Cash purchases by civilian and military personnel	Total
	Civilian personnel	Military personnel		
Accumulated through June 30, 1943.....	\$326,441,214	\$189,189,703	† \$140,101,395	† \$655,732,312
1943				
July.....	41,121,383	28,667,170	14,208,331	83,996,884
August.....	41,296,613	30,407,485	9,867,308	81,571,406
September.....	41,391,423	35,986,378	108,629,599	186,007,400
October.....	44,869,647	35,104,020	16,010,311	95,983,978
November.....	44,316,386	37,118,274	9,880,929	91,315,589
December.....	45,150,841	48,071,404	34,614,963	127,837,208
1944				
January.....	45,492,984	41,105,295	46,728,852	133,327,131
February.....	47,295,991	42,625,869	131,020,435	220,942,295
March.....	50,842,113	61,067,166	13,891,019	125,800,298
April.....	49,529,445	47,900,804	12,068,581	109,498,830
May.....	49,905,968	49,928,500	11,217,322	111,051,790
June.....	52,911,784	72,019,578	63,727,484	188,658,846
Fiscal year 1944.....	554,124,578	530,001,943	471,865,134	1,555,991,655
Grand total.....	880,565,792	719,191,646	611,966,529	2,211,723,967

† Revised.

Purchases of savings bonds, through payroll allotments and for cash, by civilian and military personnel during June 1944 and accumulated purchases from the beginning of the program through June 1944 are shown in the following table at issue price.

	June 1944		Accumulated purchases from beginning of program through June 30, 1944
	Number participating	Amount of purchases	
Payroll allotments:			
Civilian personnel:			
War Department.....	1,095,695	\$22,378,703	\$328,956,128
Navy Department.....	630,839	18,265,268	329,821,657
Other.....	493,025	12,267,813	221,788,007
Subtotal.....	2,219,559	52,911,784	880,565,792
Military personnel:			
Army.....	3,202,627	41,333,884	561,863,341
Navy.....	1,653,809	30,685,694	157,328,305
Subtotal.....	4,856,436	72,019,578	719,191,646
Total payroll allotments.....	7,075,995	124,931,362	1,599,757,438
Cash purchases:			
War Department (civilian and military).....	(1)	48,282,935	268,935,894
Navy Department (civilian and military).....	(1)	3,001,238	122,393,754
Postoffice employees outside of Baltimore and Washington, D. C.....	276,665	12,272,947	137,703,856
Other.....	(1)	170,364	82,933,025
Total cash purchases.....	276,665	63,727,484	611,966,529
Grand total.....	7,352,660	188,658,846	2,211,723,967

<sup>1</sup> Included under payroll allotments.

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## EXHIBITS

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## PUBLIC DEBT

### Issues and redemptions of Treasury bonds, Treasury notes, and Treasury certificates of indebtedness

#### Exhibit 1

*Subscriptions and allotments, Treasury notes of Series A-1947<sup>1</sup> (from press releases June 29, July 6, and July 12, 1943<sup>2</sup>)*

On June 28, 1943, Secretary of the Treasury Morgenthau announced that the subscription books for the cash offering of 1½ percent Treasury notes of Series A-1947 would close at the close of business June 29. Subscriptions aggregated \$19,543,543,500, of which \$2,707,289,000 were allotted. Subscriptions in amounts up to and including \$100,000, totaling about \$1,347,000,000, were allotted in full. Subscriptions in amounts over \$100,000 were allotted 7 percent, on a straight percentage basis, but not less than \$100,000 on any one subscription, with adjustments, where necessary, to the \$1,000 denomination.

Subscriptions and allotments were divided among the several Federal Reserve districts and the Treasury as follows:

Federal Reserve district	Subscriptions received	Subscriptions allotted
Boston.....	\$1,022,210,000	\$133,453,000
New York.....	7,301,921,000	696,267,500
Philadelphia.....	1,160,805,000	135,409,000
Cleveland.....	1,040,092,000	181,616,000
Richmond.....	905,249,500	173,076,500
Atlanta.....	1,139,315,500	378,140,500
Chicago.....	2,728,261,000	366,196,000
St. Louis.....	586,158,000	143,659,000
Minneapolis.....	422,874,500	86,000,500
Kansas City.....	670,095,500	115,537,500
Dallas.....	700,083,500	114,048,500
San Francisco.....	1,866,178,000	183,585,000
Treasury.....	300,000	300,000
Total.....	19,543,543,500	2,707,289,000

#### Exhibit 2

#### *Offering of ⅞ percent Treasury certificates of indebtedness of Series D-1944*

On July 22, 1943, Secretary of the Treasury Morgenthau invited subscriptions for ⅞ percent Treasury certificates of indebtedness of Series D-1944 in exchange for Treasury certificates of indebtedness of Series B-1943, maturing August 1, 1943. In addition, \$900 millions, or thereabouts, of the new certificates were offered for cash subscriptions for their own account by commercial banks, defined for this purpose as banks accepting demand deposits.

[Department Circular No. 717. Public Debt]

TREASURY DEPARTMENT,  
Washington, July 22, 1943.

#### I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for certificates of indebtedness of the United States, designated ⅞ percent Treasury certificates of indebtedness of Series D-1944, in

<sup>1</sup> The text of the offering circular, No. 716, dated June 28, 1943, appears in the annual report for 1943, p. 327.

<sup>2</sup> Revised September 1, 1943.

exchange for Treasury certificates of indebtedness of Series B-1943, maturing August 1, 1943. In addition, \$900,000,000, or thereabouts, of the new certificates are offered for subscription for their own account by commercial banks, which are defined for this purpose as banks accepting demand deposits.

## II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated August 2, 1943, and will bear interest from that date at the rate of  $\frac{7}{8}$  percent per annum, payable on a semiannual basis on February 1 and August 1, 1944. They will mature August 1, 1944, and will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all Federal taxes, now or hereafter imposed. The certificates shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer certificates with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. The certificates will not be issued in registered form.

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

## III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Subscribers must agree not to sell or otherwise dispose of their subscriptions, or of the securities which may be allotted thereon, prior to the closing of the subscription books. Banking institutions generally may submit exchange subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Cash subscriptions from commercial banks for their own account will be received without deposit but will be restricted in each case to an amount not exceeding the combined capital, surplus and undivided profits, or 5 percent of the total deposits, whichever is greater, of the subscribing bank.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of certificates applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, subscriptions in payment of which Treasury certificates of indebtedness of Series B-1943 are tendered will be allotted in full. All cash subscriptions will be allotted on an equal percentage basis, to be publicly announced. Allotment notices will be sent out promptly upon allotment.

## IV. PAYMENT

1. Payment at par and accrued interest, if any, for certificates allotted on cash subscriptions hereunder must be made or completed on or before August 2, 1943, or on later allotment. Any qualified depository will be permitted to make payment by credit for certificates allotted to it up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district. Treasury certificates of indebtedness of Series B-1943, maturing August 1, 1943, will be accepted at par in payment for any certificates subscribed for and allotted, and should accompany the subscription.

## V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve



Banks of the respective districts, to issue allotment notices, to receive payment for certificates allotted, to make delivery of certificates on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive certificates.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

### Exhibit 3

*Subscriptions and allotments, Treasury certificates of indebtedness of Series D-1944 (from press releases July 23 and 27 and August 3, 1943<sup>1</sup>)*

On July 22, 1943, Secretary of the Treasury Morgenthau announced that the subscription books for the receipt of cash subscriptions to the offering of  $\frac{3}{8}$  percent Treasury certificates of indebtedness of Series D-1944 closed at the close of business July 22. Cash subscriptions, restricted to commercial banks for their own account, aggregated \$5,484,167,000, of which \$989,099,000 were allotted. These subscriptions were allotted 18 percent, on a straight percentage basis, with adjustments, where necessary, to the \$1,000 denomination.

The subscription books for the receipt of subscriptions in payment of which Treasury certificates of indebtedness of Series B-1943, maturing August 1, 1943, were tendered closed at the close of business July 23. Exchange subscriptions aggregated \$1,556,293,000, all of which were allotted in full.

Subscriptions and allotments were divided among the Federal Reserve districts and the Treasury as follows:

Federal Reserve district	Cash subscriptions		Exchange subscriptions received and allotted	Total subscriptions allotted
	Received	Allotted		
Boston.....	\$317,526,000	\$57,201,000	\$77,733,000	\$134,934,000
New York.....	2,116,920,000	381,186,000	878,806,000	1,259,992,000
Philadelphia.....	313,751,000	56,559,000	34,011,000	90,570,000
Cleveland.....	426,567,000	76,894,000	53,585,000	130,479,000
Richmond.....	199,315,000	35,964,000	34,480,000	70,444,000
Atlanta.....	208,839,000	37,690,000	26,813,000	64,503,000
Chicago.....	726,464,000	131,259,000	252,427,000	383,686,000
St. Louis.....	185,541,000	33,584,000	27,181,000	60,765,000
Minneapolis.....	123,449,000	22,478,000	26,346,000	48,824,000
Kansas City.....	199,379,000	36,178,000	28,258,000	64,436,000
Dallas.....	146,224,000	26,394,000	32,118,000	58,512,000
San Francisco.....	520,192,000	93,712,000	81,891,000	175,603,000
Treasury.....			2,644,000	2,644,000
Total.....	5,484,167,000	989,099,000	1,556,293,000	2,545,392,000

### Exhibit 4

*Offering of  $2\frac{1}{2}$  percent Treasury bonds of 1964-69, 2 percent Treasury bonds of 1951-53, and  $\frac{3}{8}$  percent Treasury certificates of indebtedness of Series E-1944 (Third War Loan)*

On September 9, 1943, Secretary of the Treasury Morgenthau invited cash subscriptions for unspecified amounts of  $2\frac{1}{2}$  percent Treasury bonds of 1964-69, 2 percent Treasury bonds of 1951-53, and  $\frac{3}{8}$  percent Treasury certificates of indebtedness of Series E-1944.

These securities were not available for subscription, for their own account, by commercial banks, defined for this purpose as banks accepting demand deposits. Offerings of securities of identical or similar tenor to the 2 percent bonds and  $\frac{3}{8}$  percent certificates were made after the Third War Loan for the exclusive sub-

<sup>1</sup> Revised September 1, 1943

scription of these banks. The  $2\frac{1}{2}$  percent bonds may not be held by these commercial banks before September 15, 1953.

[Treasury bonds of 1964-69. Department Circular No. 719. Public Debt]

TREASURY DEPARTMENT,  
Washington, September 9, 1943.

#### I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for bonds of the United States, designated  $2\frac{1}{2}$  percent Treasury bonds of 1964-69. These bonds will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits. The amount of the offering is not specifically limited.

#### II. DESCRIPTION OF BONDS

1. The bonds will be dated September 15, 1943, and will bear interest from that date at the rate of  $2\frac{1}{2}$  percent per annum, payable on a semiannual basis on December 15, 1943, and thereafter on June 15 and December 15 in each year until the principal amount becomes payable. They will mature December 15, 1969, but may be redeemed at the option of the United States on and after December 15, 1964, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds will not be acceptable to secure deposits of public moneys before September 15, 1953. They will not be entitled to any privilege of conversion.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury, except that they may not, before September 15, 1953, be transferred to or be held by commercial banks, which are defined for this purpose as banks accepting demand deposits. However, the bonds may be pledged as collateral for loans, including loans by commercial banks, but any such bank acquiring such bonds before September 15, 1953, because of the failure of such loans to be paid at maturity will be required to dispose of them in the same manner as they dispose of other assets not eligible to be owned by banks.

5. Any bonds issued hereunder which upon the death of the owner constitute part of his estate, will be redeemed at the option of the duly constituted representatives of the deceased owner's estate, at par and accrued interest to date of payment,<sup>1</sup> *Provided*:

(a) that the bonds were actually owned by the decedent at the time of his death; and

(b) that the Secretary of the Treasury be authorized to apply the entire proceeds of redemption to the payment of Federal estate taxes.

Registered bonds submitted for redemption hereunder must be duly assigned to "The Secretary of the Treasury for redemption, the proceeds to be paid to the Collector of Internal Revenue at ----- for credit on Federal estate taxes due from estate of -----." Owing to the periodic closing of the transfer books and the impossibility of stopping payment of interest to the

<sup>1</sup> An exact half-year's interest is computed for each full half-year period irrespective of the actual number of days in the half year. For a fractional part of any half year, computation is on the basis of the actual number of days in such half year.

registered owner during the closed period, registered bonds received after the closing of the books for payment during such closed period will be paid only at par with a deduction of interest from the date of payment to the next interest payment date<sup>2</sup>; bonds received during the closed period for payment at a date after the books reopen will be paid at par plus accrued interest from the reopening of the books to the date of payment. In either case checks for the full six months' interest due on the last day of the closed period will be forwarded to the owner in due course. All bonds submitted must be accompanied by Form PD 1782<sup>3</sup>, properly completed, signed and sworn to, and by a certificate of the appointment of the personal representatives, under seal of the court, dated not more than six months prior to the submission of the bonds, which shall show that at the date thereof the appointment was still in force and effect. Upon payment of the bonds appropriate memorandum receipt will be forwarded to the representatives, which will be followed in due course by formal receipt from the Collector of Internal Revenue.

6. Except as provided in the preceding paragraphs, the bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

### III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Subscriptions must be accompanied by payment in full for the amount of bonds applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

### IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted hereunder must be made on or before September 15, 1943, or on later allotment; provided, however, that bonds allotted to life insurance companies may be paid for, in whole or in part, at par and accrued interest, at any time or times not later than November 1, 1943. One day's accrued interest is \$0.068 per \$1,000. Any qualified depository will be permitted to make payment by credit for bonds allotted to its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

### V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, JR.,  
*Secretary of the Treasury.*

<sup>2</sup> The transfer books are closed from May 16 to June 15, and from November 16 to December 15 (both dates inclusive) in each year.

<sup>3</sup> Copies of Form PD 1782 may be obtained from any Federal Reserve Bank or from the Treasury Department, Washington, D. C.

[Treasury bonds of 1951-53. Department Circular No. 720. Public Debt]

TREASURY DEPARTMENT,  
*Washington, September 9, 1943.*

### I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for bonds of the United States, designated 2 percent Treasury bonds of 1951-53. These bonds will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits. The amount of the offering is not specifically limited.

### II. DESCRIPTION OF BONDS

1. The bonds will be dated September 15, 1943, and will bear interest from that date at the rate of 2 percent per annum, payable semiannually on March 15 and September 15 in each year until the principal amount becomes payable. They will mature September 15, 1953, but may be redeemed at the option of the United States on and after September 15, 1951, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds will be acceptable to secure deposits of public moneys. They will not be entitled to any privilege of conversion.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

5. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

### III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. An offering of securities of identical or similar tenor to those offered by this circular will be made for the exclusive subscription of commercial banks shortly after the conclusion of this offering. Until such offering has been made and the books thereon closed, or until ten days after the subscription books close on this offering, whichever is earlier, commercial banks are requested not to purchase and subscribers are requested not to trade in the securities offered by this circular. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Subscriptions must be accompanied by payment in full for the amount of bonds applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

### IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted hereunder must be made on or before September 15, 1943, or on later allotment; provided,

however, that bonds allotted to life insurance companies may be paid for, in whole or in part, at par and accrued interest, at any time or times not later than November 1, 1943. One day's accrued interest is \$0.055 per \$1,000. Any qualified depository will be permitted to make payment by credit for bonds allotted to its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

#### V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,

*Secretary of the Treasury.*

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[Certificates of indebtedness. Department Circular No. 721. Public Debt]

TREASURY DEPARTMENT,

*Washington, September 9, 1943.*

#### I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for certificates of indebtedness of the United States, designated  $\frac{3}{8}$  percent Treasury certificates of indebtedness of Series E-1944. These certificates will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits. The amount of the offering is not specifically limited.

#### II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated September 15, 1943, and will bear interest from that date at the rate of  $\frac{3}{8}$  percent per annum, payable on a semiannual basis on March 1 and September 1, 1944. They will mature September 1, 1944, and will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all Federal taxes, now or hereafter imposed. The certificates shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer certificates with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. The certificates will not be issued in registered form.

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

#### III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. An offering of securities of identical or similar tenor to those offered by this circular will be made for the exclusive subscription of commercial banks shortly after the conclusion of this offering. Until such offering has been made and the books thereon closed, or until ten days after the subscription books close on this offering, whichever is earlier, commercial banks are requested not to purchase and subscribers are requested not to trade in the securities offered by this circular. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as

official agencies. Subscriptions must be accompanied by payment in full for the amount of certificates applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of certificates applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

#### IV. PAYMENT

1. Payment at par and accrued interest, if any, for certificates allotted hereunder must be made on or before September 15, 1943, or on later allotment. One day's accrued interest is \$0.024 per \$1,000. Any qualified depository will be permitted to make payment by credit for certificates allotted to its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

#### V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for certificates allotted, to make delivery of certificates on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive certificates.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

#### Exhibit 5

*Subscriptions and allotments, Treasury bonds of 1964-69, Treasury bonds of 1951-53, and Treasury certificates of indebtedness of Series E-1944 (from press releases September 25 and October 19, 1943 <sup>1</sup>) (Third War Loan)*

On September 25, 1943, Under Secretary of the Treasury D. W. Bell announced that the subscription books would close at the close of business October 2 for the offerings to nonbank investors of 2½ percent Treasury bonds of 1964-69, 2 percent Treasury bonds of 1951-53, and ⅞ percent Treasury certificates of indebtedness. Subscriptions aggregated \$13,157,789,500, all of which were allotted in full.

Allotments were divided among the Federal Reserve districts and the Treasury as follows:

Federal Reserve district	2½% Treasury bonds of 1964-69	2% Treasury bonds of 1951-53	⅞% Treasury certificates of indebtedness of Series E-1944	Total allotments
Boston.....	\$386,526,500	\$404,069,000	\$236,050,000	\$1,026,645,500
New York.....	1,826,499,500	2,391,832,000	1,669,927,000	5,888,258,500
Philadelphia.....	207,415,000	213,221,000	171,428,000	592,064,000
Cleveland.....	165,288,500	370,840,000	299,248,000	835,376,500
Richmond.....	125,022,000	262,358,500	168,821,000	556,201,500
Atlanta.....	40,305,500	303,727,000	92,099,000	436,131,500
Chicago.....	222,810,500	408,211,000	789,245,000	1,420,266,500
St. Louis.....	42,162,000	123,433,000	110,879,000	276,534,000
Minneapolis.....	46,574,500	76,709,000	84,186,000	207,469,500
Kansas City.....	55,794,000	115,597,000	121,228,000	292,619,000
Dallas.....	48,223,500	138,730,000	82,379,000	269,332,500
San Francisco.....	131,349,060	296,513,000	296,188,000	724,050,000
Treasury.....	1,642,500	452,000	105,000	2,199,500
Government investment accounts.....	479,141,000	151,500,000	-----	630,641,000
<b>Total.....</b>	<b>3,778,754,000</b>	<b>5,257,252,500</b>	<b>4,121,783,000</b>	<b>13,157,789,500</b>

<sup>1</sup> Revised January 21, 1944.

## Exhibit 6

*Offering of 2½ percent Treasury bonds of 1964-69 (additional), 2 percent Treasury bonds of 1951-53 (additional), and ⅞ percent Treasury certificates of indebtedness of Series F-1944*

On October 6, 1943, Secretary of the Treasury Morgenthau invited subscriptions for 2½ percent Treasury bonds of 1964-69, 2 percent Treasury bonds of 1951-53, and ⅞ percent Treasury certificates of indebtedness of Series F-1944. The 2½ percent and 2 percent Treasury bonds were additions to the two series issued during the Third War Loan, pursuant to Department Circulars Nos. 719 and 720, dated September 9, 1943.

Holders, other than commercial banks, of 3¼ percent Treasury bonds of 1943-45, called for redemption on October 15, 1943, were afforded an opportunity to exchange their holdings either for the 2½ percent Treasury bonds or for the 2 percent Treasury bonds. Commercial banks could exchange their holdings of the called bonds for the 2 percent Treasury bonds only. The Treasury certificates of indebtedness of Series F-1944 were open on an exchange basis to all holders of Treasury certificates of indebtedness of Series D-1943, maturing November 1, 1943.

At the same time the Secretary offered an additional \$1,500,000,000, or thereabouts, of the 2 percent Treasury bonds of 1951-53 and also \$1,500,000,000, or thereabouts, of the ⅞ percent Treasury certificates of indebtedness of Series F-1944 for cash subscription by commercial banks for their own account. This offering afforded commercial banks, which were excluded from participation in the Third War Loan Drive, an opportunity to obtain additional quantities of Treasury securities at par directly from the Treasury.

In this related press release it was stated that there were outstanding \$1,400,-528,250 of the called Treasury bonds of 1943-45 and \$2,035,254,000 of the maturing Series D-1943 certificates.

[Treasury bonds of 1964-69 (additional). Department Circular No. 724. Public Debt]

TREASURY DEPARTMENT,  
Washington, October 6, 1943.

## I. EXCHANGE OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par with an adjustment of accrued interest as of October 15, 1943, from the people of the United States for bonds of the United States, designated 2½ percent Treasury bonds of 1964-69, in payment of which only Treasury bonds of 1943-45, called for redemption on October 15, 1943, may be tendered. These bonds will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits. The amount of the offering under this circular will be limited to the amount of Treasury bonds of 1943-45 tendered and accepted.

## II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of 2½ percent Treasury bonds of 1964-69 issued pursuant to Department Circular No. 719, dated September 9, 1943, will be freely interchangeable therewith, are identical in all respects therewith, and are described in the following quotation from Department Circular No. 719. [Description omitted here, see p. 272.]

## III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

## IV. PAYMENT

1. Payment at par and accrued interest from September 15, 1943, to October 15, 1943 (\$2.04918 per \$1,000), for bonds allotted hereunder must be made or completed on or before October 15, 1943, or on later allotment. Payment of the principal amount may be made only in Treasury bonds of 1943-45 called for redemption on October 15, 1943, which will be accepted at par and should accompany the subscription. In the case of coupon bonds, payment of accrued interest on the new bonds should be made when the subscription is tendered and in the case of registered bonds, the accrued interest will be deducted from the amount of the check which will be issued in payment of final interest on the bonds surrendered. Final interest due October 15 on bonds surrendered will be paid, in the case of coupon bonds, by payment of October 15, 1943, coupons, which should be detached by holders before presentation of the bonds, and in the case of registered bonds, by checks drawn in accordance with the assignments on the bonds surrendered.

## V. SURRENDER OF CALLED BONDS

1. *Coupon bonds.*—Treasury bonds of 1943-45 in coupon form tendered in payment for bonds offered hereunder should be presented and surrendered with the subscription to a Federal Reserve Bank or branch or to the Treasurer of the United States, Washington, D. C. Coupons dated April 15, 1944, and all coupons bearing subsequent dates, should be attached to such bonds when surrendered, and if any such coupons are missing, the subscription must be accompanied by cash payment equal to the face amount of the missing coupons. The bonds must be delivered at the expense and risk of the holder. Facilities for transportation of bonds by registered mail insured may be arranged between incorporated banks and trust companies and the Federal Reserve Banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents.

2. *Registered bonds.*—Treasury bonds of 1943-45 in registered form tendered in payment for bonds offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, in one of the forms hereafter set forth, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or branch or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holder. If the new bonds are desired registered in the same name as the bonds surrendered, the assignment should be to "The Secretary of the Treasury for exchange for Treasury bonds of 1964-69 (dated September 15, 1943)"; if the new bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for Treasury bonds of 1964-69 (dated September 15, 1943) in the name of \_\_\_\_\_"; if new bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for Treasury bonds of 1964-69 (dated September 15, 1943) in coupon form to be delivered to \_\_\_\_\_".

## VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.



[Treasury bonds of 1951-53 (additional). Department Circular No. 725. Public Debt]

TREASURY DEPARTMENT,  
Washington, October 6, 1943.

#### I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par with an adjustment of accrued interest as of October 15, 1943, from the people of the United States for bonds of the United States, designated 2 percent Treasury bonds of 1951-53, in exchange for Treasury bonds of 1943-45, called for redemption on October 15, 1943. In addition, \$1,500,000,000, or thereabouts, of the new bonds are offered for cash subscription, at par and accrued interest, for their own account by commercial banks, which are defined for this purpose as banks accepting demand deposits.

#### II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of 2 percent Treasury bonds of 1951-53 issued pursuant to Department Circular No. 720, dated September 9, 1943, will be freely interchangeable therewith, are identical in all respects therewith, and are described in the following quotation from Department Circular No. 720. [Description omitted here, see p. 274.]

#### III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Commercial banks are requested not to purchase in the market and subscribers are requested not to trade in the securities offered hereunder prior to the closing of the books for cash subscriptions. Banking institutions generally may submit exchange subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Cash subscriptions from commercial banks for their own account will be received without deposit but will be restricted in each case to an amount not exceeding the combined capital, surplus and undivided profits, or 5 percent of the total deposits, whichever is greater, of the subscribing bank.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, subscriptions in payment of which Treasury bonds of 1943-45 are tendered, and cash subscriptions from commercial banks for their own account for amounts up to and including \$50,000, will be allotted in full. All other cash subscriptions will be allotted on an equal percentage basis, to be publicly announced. Allotment notices will be sent out promptly upon allotment.

#### IV. PAYMENT

1. *Exchange subscriptions.*—Payment at par and accrued interest from September 15, 1943, to October 15, 1943 (\$1.64835 per \$1,000), for bonds allotted hereunder must be made or completed on or before October 15, 1943, or on later allotment. Payment of the principal amount may be made only in Treasury bonds of 1943-45 called for redemption on October 15, 1943, which will be accepted at par and should accompany the subscription. In the case of coupon bonds, payment of accrued interest on the new bonds should be made when the subscription is tendered and in the case of registered bonds, the accrued interest will be deducted from the amount of the check which will be issued in payment of final interest on the bonds surrendered. Final interest due October 15 on bonds surrendered will be paid, in the case of coupon bonds, by payment of October 15, 1943, coupons, which should be detached by holders before presentation of the bonds, and in the case of registered bonds, by checks drawn in accordance with the assignments on the bonds surrendered.

2. *Cash subscriptions.*—Payment at par and accrued interest from September 15, 1943, for bonds allotted on cash subscriptions hereunder must be made or completed on or before October 15, 1943, or on later allotment. Any qualified depository will be permitted to make payment by credit for bonds allotted to it

up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district. One day's accrued interest is \$0.05495 per \$1,000, and accrued interest from September 15, 1943, to October 15, 1943, is \$1.64835 per \$1,000.

#### V. SURRENDER OF CALLED BONDS

1. *Coupon bonds.*—Treasury bonds of 1943-45 in coupon form tendered in payment for bonds offered hereunder should be presented and surrendered with the subscription to a Federal Reserve Bank or branch or to the Treasurer of the United States, Washington, D. C. Coupons dated April 15, 1944, and all coupons bearing subsequent dates, should be attached to such bonds when surrendered, and if any such coupons are missing, the subscription must be accompanied by cash payment equal to the face amount of the missing coupons. The bonds must be delivered at the expense and risk of the holder. Facilities for transportation of bonds by registered mail insured may be arranged between incorporated banks and trust companies and the Federal Reserve Banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents.

2. *Registered bonds.*—Treasury bonds of 1943-45 in registered form tendered in payment for bonds offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, in one of the forms hereafter set forth, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or branch or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holder. If the new bonds are desired registered in the same name as the bonds surrendered, the assignment should be to "The Secretary of the Treasury for exchange for 2 percent Treasury bonds of 1951-53"; if the new bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for 2 percent Treasury bonds of 1951-53 in the name of -----"; if new bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for 2 percent Treasury bonds of 1951-53 in coupon form to be delivered to -----."

#### VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

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[Certificates of indebtedness. Department Circular No. 726. Public Debt]

TREASURY DEPARTMENT,  
Washington, October 6, 1943.

#### I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for certificates of indebtedness of the United States, designated  $\frac{7}{8}$  percent Treasury certificates of indebtedness of Series F-1944, in exchange for Treasury certificates of indebtedness of Series D-1943, maturing November 1, 1943, with an adjustment of accrued interest as of October 15. In addition, \$1,500,000,000, or thereabouts, of the new certificates are offered for cash subscription, at par and accrued interest, for their own account by commercial banks, which are defined for this purpose as banks accepting demand deposits.

## II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated October 15, 1943, and will bear interest from that date at the rate of  $\frac{3}{8}$  percent per annum, payable on a semiannual basis on April 1 and October 1, 1944. They will mature October 1, 1944, and will not be subject to call for redemption prior to maturity.<sup>1</sup> \* \* \*

## III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Commercial banks are requested not to purchase in the market and subscribers are requested not to trade in the securities offered hereunder prior to the closing of the books for cash subscriptions.<sup>1</sup> \* \* \*

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of certificates applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, subscriptions in payment of which Treasury certificates of indebtedness of Series D-1943 are tendered, and cash subscriptions from commercial banks for their own account for amounts up to and including \$50,000, will be allotted in full. All other cash subscriptions will be allotted on an equal percentage basis, to be publicly announced. Allotment notices will be sent out promptly upon allotment.

## IV. PAYMENT

1. Payment at par and accrued interest, if any, for certificates allotted on cash subscriptions hereunder must be made or completed on or before October 15, 1943, or on later allotment. Any qualified depository will be permitted to make payment by credit for certificates allotted to it up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district. Treasury certificates of indebtedness of Series D-1943, maturing November 1, 1943, must be presented with November 1, 1943, coupons *attached* and should accompany the subscription. Such certificates will be accepted at par in payment for any certificates subscribed for and allotted, and accrued interest from May 1, 1943, to October 15, 1943 (\$3.97079 per \$1,000), will be paid following acceptance of the certificates. If any certificates are presented with November 1, 1943, coupon missing, the subscription must be accompanied by remittance of \$0.39921 per \$1,000, representing unearned interest from October 15, 1943, to November 1, 1943.

## V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions<sup>1</sup> \* \* \*.

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

## Exhibit 7

*Subscriptions and allotments, Treasury bonds of 1964-69 (additional), Treasury bonds of 1951-53 (additional), and Treasury certificates of indebtedness of Series F-1944 (from press releases October 8, 11, and 15, 1943)<sup>2</sup>*

On October 7, 1943, Secretary of the Treasury Morgenthau announced that the subscription books would close at the close of business October 8 for the receipt of (a) cash subscriptions to the 2 percent Treasury bonds of 1951-53 (additional) and  $\frac{3}{8}$  percent Treasury certificates of indebtedness of Series F-1944, restricted to commercial banks for their own account, (b) exchange subscriptions to the certificates of Series F-1944 in payment of which certificates of indebtedness of Series D-1943, maturing November 1, 1943, were tendered, and (c) exchange subscriptions to the  $2\frac{1}{2}$  percent Treasury bonds of 1964-69 (additional) and the 2 percent Treasury bonds of 1951-53 (additional) in payment of which Treasury bonds of 1943-45, called for redemption on October 15, 1943, were tendered, except for the receipt of

<sup>1</sup> Omitted portion similar to corresponding section of Department Circular No. 717, p. 269.

<sup>2</sup> Revised January 21, 1944.

subscriptions from holders of \$25,000 or less of the called bonds. For the latter class the subscription books closed at the close of business October 11.

Cash subscriptions to the 2 percent Treasury bonds totaled \$5,530,856,500, of which \$1,627,106,500 were allotted. Subscriptions in amounts up to and including \$50,000, totaling about \$252,000,000, were allotted in full. Subscriptions over \$50,000 were allotted 25 percent, on a straight percentage basis, but not less than \$50,000 to any one subscriber, with adjustments, where necessary, to the \$1,000 denomination.

Cash subscriptions to the  $\frac{7}{8}$  percent certificates of indebtedness totaled \$5,386,065,000, of which \$1,580,067,000 were allotted. Subscriptions in amounts up to and including \$50,000, totaling about \$190,000,000, were allotted in full. Subscriptions in amounts over \$50,000 were allotted 26 percent, on a straight percentage basis, but not less than \$50,000 to any one subscriber, with adjustments, where necessary, to the \$1,000 denomination.

All exchange subscriptions were allotted in full.

Subscriptions and allotments were divided among the Federal Reserve districts and the Treasury as follows:

Federal Reserve district	2½% Treasury bonds of 1964-69 (additional)	2% Treasury bonds of 1951-53 (additional)			
		Cash subscriptions		Exchanged for called 3¼% Treasury bonds of 1943-45—subscriptions received and allotted	Total subscriptions allotted
		Received	Allotted		
Boston.....	\$5,982,500	\$305,127,500	\$84,038,500	\$21,825,000	\$105,863,500
New York.....	12,737,000	2,027,289,500	520,945,500	847,171,500	1,368,117,000
Philadelphia.....	2,201,500	388,932,500	112,376,500	24,974,500	137,351,000
Cleveland.....	9,362,000	394,517,500	118,950,000	35,967,000	154,917,000
Richmond.....	3,502,000	252,969,000	80,144,000	15,354,500	95,498,500
Atlanta.....	2,312,000	223,874,000	73,865,500	6,186,000	80,051,500
Chicago.....	7,683,500	728,096,500	233,366,500	68,345,000	301,711,500
St. Louis.....	4,751,500	186,945,000	70,994,000	11,270,500	82,264,500
Minneapolis.....	1,217,000	145,250,500	60,147,000	16,293,000	76,440,000
Kansas City.....	4,076,500	192,462,000	77,414,500	11,728,000	89,142,500
Dallas.....	2,496,500	155,602,500	53,656,500	7,035,500	60,692,000
San Francisco.....	2,061,600	529,790,000	141,208,000	32,894,500	174,102,500
Treasury.....	1,061,000	-----	-----	2,858,500	2,858,500
Total.....	59,444,000	5,530,856,500	1,627,106,500	1,101,903,500	2,729,010,000

Federal Reserve district	¾% certificates of indebtedness of Series F-1944			
	Cash subscriptions		Exchanged for maturing certificates of indebtedness of Series D-1943—subscriptions received and allotted	Total subscriptions allotted
	Received	Allotted		
Boston.....	\$283,230,000	\$78,627,000	\$106,513,000	\$185,140,000
New York.....	2,080,806,000	550,958,000	1,191,124,000	1,742,082,000
Philadelphia.....	316,426,000	91,346,000	46,515,000	137,861,000
Cleveland.....	382,723,000	114,791,000	68,818,000	183,609,000
Richmond.....	234,742,000	71,943,000	35,929,000	107,872,000
Atlanta.....	214,794,000	69,489,000	29,360,000	98,849,000
Chicago.....	698,571,000	219,643,000	256,645,000	476,288,000
St. Louis.....	165,744,000	58,956,000	23,947,000	82,903,000
Minneapolis.....	135,432,000	53,882,000	26,548,000	80,430,000
Kansas City.....	188,956,000	71,702,000	41,201,000	112,903,000
Dallas.....	130,593,000	47,211,000	17,434,000	64,645,000
San Francisco.....	554,048,000	151,519,000	92,688,000	244,207,000
Treasury.....	-----	-----	2,258,000	2,258,000
Total.....	5,386,065,000	1,580,067,000	1,938,980,000	3,519,047,000

## Exhibit 8

*Offering of 7/8 percent Treasury certificates of indebtedness of Series G-1944*

On November 22, 1943, Secretary of the Treasury Morgenthau invited subscriptions for 7/8 percent Treasury certificates of indebtedness of Series G-1944 in exchange for Treasury certificates of indebtedness of Series E-1943, maturing December 1, 1943. In the related press release it was stated that \$3,799,736,000 of Series E-1943 certificates were outstanding.

[Department Circular No. 727. Public Debt]

TREASURY DEPARTMENT,  
Washington, November 22, 1943.

## I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury; pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for certificates of indebtedness of the United States, designated 7/8 percent Treasury certificates of indebtedness of Series G-1944, in exchange for Treasury certificates of indebtedness of Series E-1943, maturing December 1, 1943.

## II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated December 1, 1943, and will bear interest from that date at the rate of 7/8 percent per annum, payable semiannually on June 1 and December 1, 1944. They will mature December 1, 1944, and will not be subject to call for redemption prior to maturity.<sup>1</sup> \* \* \*

## III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of certificates applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

## IV. PAYMENT

1. Payment at par for certificates allotted hereunder must be made on or before December 1, 1943, or on later allotment, and may be made only in Treasury certificates of indebtedness of Series E-1943, maturing December 1, 1943, which will be accepted at par, and should accompany the subscription.

## V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions<sup>1</sup> \* \* \*.

HENRY MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

<sup>1</sup> Omitted portion similar to corresponding section of Department Circular No. 717, p. 269.

## Exhibit 9

*Allotments, Treasury certificates of indebtedness of Series G-1944 (from press releases November 23 and December 1, 1943<sup>1</sup>)*

On November 23, 1943, Secretary of the Treasury Morgenthau announced that the subscription books for the offering of  $\frac{7}{8}$  percent Treasury certificates of indebtedness of Series G-1944, offered in exchange for Treasury certificates of indebtedness of Series E-1943, maturing December 1, 1943, would close at the close of business November 24. Subscriptions aggregating \$3,539,755.000 were received and all were allotted.

Allotments were divided among the Federal Reserve districts and the Treasury as follows:

Federal Reserve district	Subscriptions received and allotted	Federal Reserve district	Subscriptions received and allotted
Boston.....	\$184,829,000	Minneapolis.....	\$82,577,000
New York.....	1,918,558,000	Kansas City.....	78,638,000
Philadelphia.....	138,438,000	Dallas.....	76,300,000
Cleveland.....	140,957,000	San Francisco.....	223,117,000
Richmond.....	79,571,000	Treasury.....	1,236,000
Atlanta.....	96,005,000		
Chicago.....	433,340,000	Total.....	3,539,755,000
St. Louis.....	86,189,000		

## Exhibit 10

*Call for redemption on April 15, 1944, of  $3\frac{1}{4}$  percent Treasury bonds of 1944-46*

TREASURY DEPARTMENT,  
Washington, December 13, 1943.

Secretary of the Treasury Morgenthau announced today that all outstanding  $3\frac{1}{4}$  percent Treasury bonds of 1944-46 are called for redemption on April 15, 1944. Approximately \$1,519,000,000 of these bonds are now outstanding.

The text of the formal notice of call is as follows:

THREE AND ONE-QUARTER PERCENT TREASURY BONDS OF 1944-46--NOTICE OF CALL  
FOR REDEMPTION

*To Holders of  $3\frac{1}{4}$  Percent Treasury Bonds of 1944-46, and Others Concerned:*

1. Public notice is hereby given that all outstanding  $3\frac{1}{4}$  percent Treasury bonds of 1944-46, dated April 16, 1934, are hereby called for redemption on April 15, 1944, on which date interest on such bonds will cease.

2. Holders of these bonds may, in advance of the redemption date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given and an official circular governing the exchange offering will be issued.

3. Full information regarding the presentation and surrender of the bonds for cash redemption under this call will be found in Department Circular No. 666, dated July 21, 1941.

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

## Exhibit 11

*Offering of  $2\frac{1}{2}$  percent Treasury bonds of 1965-70,  $2\frac{1}{4}$  percent Treasury bonds of 1956-59, and  $\frac{7}{8}$  percent Treasury certificates of indebtedness of Series A-1945 (Fourth War Loan)*

On January 18, 1944, Secretary of the Treasury Morgenthau invited cash subscriptions for unspecified amounts of  $2\frac{1}{2}$  percent Treasury bonds of 1965-70,  $2\frac{1}{4}$  percent Treasury bonds of 1956-59, and  $\frac{7}{8}$  percent Treasury certificates of indebtedness of Series A-1945.

<sup>1</sup> Revised January 21, 1944.

The  $2\frac{1}{2}$  percent and  $2\frac{1}{4}$  percent Treasury bonds were not available for subscription, for their own account, by commercial banks, defined as banks accepting demand deposits, except that a commercial bank holding savings deposits as defined in Regulation Q of the Board of Governors of the Federal Reserve System might subscribe to the  $2\frac{1}{2}$  percent and  $2\frac{1}{4}$  percent bonds and (beginning January 1, 1944) to Series F and G savings bonds, but the amount of such subscriptions was limited in the aggregate to 10 percent of the savings deposits as shown on the bank's books as of the date of the most recent call statement required by the supervising authorities prior to the date of subscription for such bonds, or \$200,000, whichever was less. No such bank shall hold more than \$100,000 (issue price) of Series F and G savings bonds (Series 1944) or a combination of the two.

Commercial banks accepting demand deposits may not hold the  $2\frac{1}{2}$  percent Treasury bonds before February 1, 1954, or the  $2\frac{1}{4}$  percent Treasury bonds before September 15, 1946.

The  $\frac{3}{8}$  percent Treasury certificates of indebtedness were not available for subscription for their own account by commercial banks accepting demand deposits.

[Treasury bonds of 1965-70. Department Circular No. 729. Public Debt]

TREASURY DEPARTMENT,  
*Washington, January 18, 1944.*

#### I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for bonds of the United States, designated  $2\frac{1}{2}$  percent Treasury bonds of 1965-70. The amount of the offering is not specifically limited.

2. These bonds will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits, except as follows: a commercial bank holding savings deposits as defined in Regulation Q of the Board of Governors of the Federal Reserve System may subscribe to the bonds offered hereunder, to the  $2\frac{1}{4}$  percent Treasury bonds of 1956-59 offered simultaneously herewith under Treasury Department Circular No. 730, and to Series F-1944 and Series G-1944 United States savings bonds under Treasury Department Circular No. 654, Second Revision, but the amount of such subscriptions shall not exceed, in the aggregate, 10 percent of the savings deposits as shown on the bank's books as of the date of the most recent call statement required by the supervising authorities prior to the date of subscription for such bonds, or \$200,000, whichever is less. No such bank shall hold more than \$100,000 (issue price) of Series F and Series G savings bonds (Series 1944) combined.

#### II. DESCRIPTION OF BONDS

1. The bonds will be dated February 1, 1944, and will bear interest from that date at the rate of  $2\frac{1}{2}$  percent per annum, payable on a semiannual basis on September 15, 1944, and thereafter on March 15 and September 15 in each year until the principal amount becomes payable. They will mature March 15, 1970, but may be redeemed at the option of the United States on and after March 15, 1965, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds will be acceptable to secure deposits of public moneys. They will not be entitled to any privilege of conversion.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. Provision will be made for the interchange of

bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury. Except as provided in section I of this circular, these bonds may not, before February 1, 1954, be transferred to or be held by commercial banks, which are defined for this purpose as banks accepting demand deposits; however, the bonds may be pledged as collateral for loans, including loans by commercial banks, but any such bank acquiring such bonds before February 1, 1954, because of the failure of such loans to be paid at maturity will be required to dispose of them in the same manner as they dispose of other assets not eligible to be owned by banks.

5. Any bonds issued hereunder which upon the death of the owner constitute part of his estate, will be redeemed at the option of the duly constituted representatives of the deceased owner's estate, at par and accrued interest to date of payment.<sup>1</sup> *Provided:*

(a) that the bonds were actually owned by the decedent at the time of his death; and

(b) that the Secretary of the Treasury be authorized to apply the entire proceeds of redemption to the payment of Federal estate taxes.

Registered bonds submitted for redemption hereunder must be duly assigned to "The Secretary of the Treasury for redemption, the proceeds to be paid to the Collector of Internal Revenue at ----- for credit on Federal estate taxes due from estate of -----." Owing to the periodic closing of the transfer books and the impossibility of stopping payment of interest to the registered owner during the closed period, registered bonds received after the closing of the books for payment during such closed period will be paid only at par with a deduction of interest from the date of payment to the next interest payment date;<sup>2</sup> bonds received during the closed period for payment at a date after the books reopen will be paid at par plus accrued interest from the reopening of the books to the date of payment. In either case checks for the full six months' interest due on the last day of the closed period will be forwarded to the owner in due course. All bonds submitted must be accompanied by Form PD 1782,<sup>3</sup> properly completed, signed and sworn to, and by a certificate of the appointment of the personal representatives, under seal of the court, dated not more than six months prior to the submission of the bonds, which shall show that at the date thereof the appointment was still in force and effect. Upon payment of the bonds appropriate memorandum receipt will be forwarded to the representatives, which will be followed in due course by formal receipt from the Collector of Internal Revenue.

6. Except as provided in the preceding paragraphs, the bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

### III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Subscribers are requested not to trade in the securities allotted hereunder until after February 15, 1944. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions must be accompanied by payment in full for the amount of bonds applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, and to the limitations on commercial bank subscriptions prescribed in section I of this circular, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

<sup>1</sup> An exact half-year's interest is computed for each full half-year period irrespective of the actual number of days in the half year. For a fractional part of any half year, computation is on the basis of the actual number of days in such half year.

<sup>2</sup> The transfer books are closed from Feb. 16 to Mar. 15, and from Aug. 16 to Sept. 15 (both dates inclusive) in each year.

<sup>3</sup> Copies of Form PD 1782 may be obtained from any Federal Reserve Bank or from the Treasury Department, Washington, D. C.



## IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted hereunder must be made on or before February 1, 1944, or on later allotment. One day's accrued interest is \$0.069 per \$1,000. Any qualified depository will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

## V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

[Treasury bonds of 1956-59. Department Circular No. 730. Public Debt]

TREASURY DEPARTMENT,  
*Washington, January 18, 1944.*

## I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for bonds of the United States, designated 2½ percent Treasury bonds of 1956-59. The amount of the offering is not specifically limited.

2. These bonds will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits, except as follows: a commercial bank holding savings deposits as defined in Regulation Q of the Board of Governors of the Federal Reserve System may subscribe to the bonds offered hereunder, to the 2½ percent Treasury bonds of 1965-70 offered simultaneously herewith under Treasury Department Circular No. 729, and to Series F-1944 and Series G-1944 United States savings bonds under Treasury Department Circular No. 654, Second Revision, but the amount of such subscriptions shall not exceed, in the aggregate, 10 percent of the savings deposits as shown on the bank's books as of the date of the most recent call statement required by the supervising authorities prior to the date of subscription for such bonds, or \$200,000, whichever is less. No such bank shall hold more than \$100,000 (issue price) of Series F and Series G savings bonds (Series 1944), combined.

## II. DESCRIPTION OF BONDS

1. The bonds will be dated February 1, 1944, and will bear interest from that date at the rate of 2½ percent per annum, payable on a semiannual basis on September 15, 1944, and thereafter on March 15 and September 15 in each year until the principal amount becomes payable. They will mature September 15, 1959, but may be redeemed at the option of the United States on and after September 15, 1956, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any

State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds will be acceptable to secure deposits of public moneys. They will not be entitled to any privilege of conversion.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, \$100,000, and \$1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury. Except as provided in section I of this circular, these bonds may not, before September 15, 1946, be transferred to or be held by commercial banks, which are defined for this purpose as banks accepting demand deposits; however, the bonds may be pledged as collateral for loans, including loans by commercial banks, but any such bank acquiring such bonds before September 15, 1946, because of the failure of such loans to be paid at maturity will be required to dispose of them in the same manner as they dispose of other assets not eligible to be owned by banks.

5. Any bonds issued hereunder which upon the death of the owner constitute part of his estate, will be redeemed at the option of the duly constituted representatives of the deceased owner's estate, at par and accrued interest to date of payment <sup>1</sup> \* \* \*.

### III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Subscribers are requested not to trade in the securities allotted hereunder until after February 15, 1944. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions must be accompanied by payment in full for the amount of bonds applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, and to the limitations on commercial bank subscriptions prescribed in section I of this circular, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

### IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted hereunder must be made on or before February 1, 1944, or on later allotment. One day's accrued interest is \$0.062 per \$1,000. Any qualified depository will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

### V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions <sup>1</sup> \* \* \*.

HENRY MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

[Certificates of indebtedness. Department Circular No. 731. Public Debt]

TREASURY DEPARTMENT,  
*Washington, January 18, 1944.*

### I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest,

<sup>1</sup> Omitted portion similar to corresponding section of Department Circular No. 729, p. 285.

from the people of the United States for certificates of indebtedness of the United States, designated  $\frac{7}{8}$  percent Treasury certificates of indebtedness of Series A-1945. These certificates will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits. The amount of the offering is not specifically limited.

## II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated February 1, 1944, and will bear interest from that date at the rate of  $\frac{7}{8}$  percent per annum, payable semiannually on August 1, 1944, and February 1, 1945. They will mature February 1, 1945, and will not be subject to call for redemption prior to maturity.<sup>1</sup> \* \* \*

## III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Commercial banks are requested not to purchase and subscribers are requested not to trade in the securities allotted hereunder until after February 15, 1944. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions must be accompanied by payment in full for the amount of certificates applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of certificates applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

## IV. PAYMENT

1. Payment at par and accrued interest, if any, for certificates allotted hereunder must be made on or before February 1, 1944, or on later allotment. One day's accrued interest is \$0.024 per \$1,000. Any qualified depository will be permitted to make payment by credit for certificates allotted to its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

## V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions<sup>1</sup> \* \* \*.

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

## Exhibit 12

*Subscriptions and allotments, Treasury bonds of 1965-70, Treasury bonds of 1956-59, and Treasury certificates of indebtedness of Series A-1945 (from press releases February 12 and March 5, 1944<sup>2</sup>) (Fourth War Loan)*

On February 12, 1944, Secretary of the Treasury Morgenthau called attention to the fact that the subscription books would close at the close of business February 15 for the offering of  $2\frac{1}{2}$  percent Treasury bonds of 1965-70,  $2\frac{1}{4}$  percent Treasury bonds of 1956-59, and  $\frac{7}{8}$  percent Treasury certificates of indebtedness of Series A-1945. Subscriptions aggregated \$10,988,039,500, all of which were allotted in full.

<sup>1</sup> Omitted portion similar to corresponding section of Department Circular No. 717, p. 269.

<sup>2</sup> Revised June 15 and Oct. 3, 1944.

Allotments were divided among the Federal Reserve districts and the Treasury as follows:

Federal Reserve district	2½% Treasury bonds of 1965-70	2¼% Treasury bonds of 1956-59	¾% certificates of indebtedness of Series A-1945	Total subscriptions received and allotted
Boston	\$185,210,500	\$446,404,000	\$269,790,000	\$901,404,500
New York	1,184,165,000	1,769,482,000	1,979,840,000	4,933,487,000
Philadelphia	92,413,500	271,671,000	164,673,000	528,757,500
Cleveland	87,283,500	190,524,000	327,936,000	605,743,500
Richmond	45,236,000	199,765,500	218,137,000	463,138,500
Atlanta	30,407,500	131,523,000	171,021,000	332,951,500
Chicago	129,495,000	253,122,500	1,008,236,000	1,390,853,500
St. Louis	29,318,000	59,586,000	136,733,000	225,637,000
Minneapolis	32,692,000	48,737,500	107,686,000	189,115,500
Kansas City	30,856,500	58,664,000	149,493,000	239,013,500
Dallas	28,109,000	65,596,500	107,994,000	201,699,500
San Francisco	79,758,000	150,796,500	395,674,000	626,228,500
Treasury	395,500	214,500	166,000	776,000
Government investment accounts	256,833,500	81,600,000	10,800,000	349,233,500
Total	2,212,173,500	3,727,687,000	5,048,179,000	10,988,039,500

### Exhibit 13

#### *Offering of 0.90 percent Treasury notes of Series D-1945*

On January 24, 1944, Secretary of the Treasury Morgenthau invited subscriptions for 0.90 percent Treasury notes of Series D-1945 in exchange for Treasury certificates of indebtedness of Series A-1944, maturing February 1, 1944. In the related press release it was stated that \$2,211,161,000 of Series A-1944 certificates were outstanding.

[Department Circular No. 732. Public Debt]

TREASURY DEPARTMENT,  
Washington, January 24, 1944.

#### I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for notes of the United States, designated 0.90 percent Treasury notes of Series D-1945, in exchange for Treasury certificates of indebtedness of Series A-1944, maturing February 1, 1944. The amount of the offering will be limited to the amount of such maturing certificates tendered and accepted.

#### II. DESCRIPTION OF NOTES

1. The notes will be dated February 1, 1944, and will bear interest from that date at the rate of 0.90 percent per annum, payable on a semiannual basis on September 1, 1944, and March 1, 1945. They will mature March 1, 1945, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The notes will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer notes with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000, and \$1,000,000. The notes will not be issued in registered form.

5. The notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States notes.

#### III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Banking institutions generally may

submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of notes applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

#### IV. PAYMENT

1. Payment at par for notes allotted hereunder must be made on or before February 1, 1944, or on later allotment, and may be made only in Treasury certificates of indebtedness of Series A-1944, maturing February 1, 1944, which will be accepted at par, and should accompany the subscription.

#### V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

D. W. BELL,

*Acting Secretary of the Treasury.*

### Exhibit 14

*Allotments, Treasury notes of Series D-1945 (from press releases January 26 and February 1, 1944 <sup>1</sup>)*

On January 25, 1944, Secretary of the Treasury Morgenthau announced that the subscription books for the offering of 0.90 percent Treasury notes of Series D-1945, offered in exchange for maturing certificates of indebtedness of Series A-1944, would close at the close of business January 26. Subscriptions aggregating \$2,126,896,000 were received, all of which were allotted.

Allotments were divided among the Federal Reserve districts and the Treasury as follows:

Federal Reserve district	Subscriptions received and allotted	Federal Reserve district	Subscriptions received and allotted
Boston.....	\$134,699,000	Minneapolis.....	\$53,452,000
New York.....	1,029,319,000	Kansas City.....	65,910,000
Philadelphia.....	56,431,000	Dallas.....	46,701,000
Cleveland.....	91,271,000	San Francisco.....	174,650,000
Richmond.....	37,618,000	Treasury.....	520,000
Atlanta.....	68,865,000		
Chicago.....	294,822,000	Total.....	2,126,896,000
St. Louis.....	72,640,000		

### Exhibit 15

*Offering of 2½ percent Treasury bonds of 1965-70 (additional), 2¼ percent Treasury bonds of 1956-59 (additional), and 1½ percent Treasury notes of Series A-1948*

On March 2, 1944, Secretary of the Treasury Morgenthau invited exchange subscriptions for 2½ percent Treasury bonds of 1965-70, 2¼ percent Treasury bonds of 1956-59, and 1½ percent Treasury notes of Series A-1948. The 2½

<sup>1</sup> Revised June 15, 1944.

percent and 2¼ percent Treasury bonds were additions to the two series issued during the Fourth War Loan, pursuant to Department Circulars Nos. 729 and 730, dated January 18, 1944. This exchange offering was open to holders of the following securities:

Description and title	Maturity or call date	Amount outstanding (millions of dollars)
Treasury issues:		
1% Treasury notes of Series B-1944.....	Mar. 15, 1944	515
3¼% Treasury bonds of 1944-46.....	Apr. 15, 1944	1,519
¾% Treasury notes of Series A-1944.....	June 15, 1944	416
Federal Farm Mortgage Corporation issues:		
3¼% FFMC bonds of 1944-64.....	Mar. 15, 1944	95
3% FFMC bonds of 1944-49.....	May 15, 1944	885
Reconstruction Finance Corporation issue: 1% RFC notes of Series W.....	Apr. 15, 1944	571
Home Owners' Loan Corporation issue: 3% HOLC bonds, Series A 1944-52.....	May 1, 1944	779
Total.....		4,729

Holders, other than commercial banks, could exchange their called or maturing securities for the two new issues of Treasury bonds or for the new Treasury notes. Commercial banks were permitted to exchange their own holdings for the new notes only.

[Treasury bonds of 1965-70 (additional). Department Circular No. 734. Public Debt]

TREASURY DEPARTMENT,  
Washington, March 2, 1944.

#### I. EXCHANGE OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par with adjustments of accrued interest as shown in the table at the end of this circular, from the people of the United States for bonds of the United States, designated 2½ percent Treasury bonds of 1965-70, in payment of which any of the following listed securities, singly or in combinations aggregating \$500 or multiples thereof, may be tendered:

##### Treasury issues:

1% Treasury notes of Series B-1944, maturing March 15, 1944.

3¼% Treasury bonds of 1944-46, called for redemption on April 15, 1944.

¾% Treasury notes of Series A-1944, maturing June 15, 1944.

##### Federal Farm Mortgage Corporation issues:

3¼% FFMC bonds of 1944-64, called for redemption on March 15, 1944.

3% FFMC bonds of 1944-49, called for redemption on May 15, 1944.

Reconstruction Finance Corporation issue: 1% RFC notes of Series W, maturing April 15, 1944.

Home Owners' Loan Corporation issue: 3% HOLC bonds, Series A 1944-52, called for redemption on May 1, 1944.

These bonds will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits. The amount of the offering under this circular will be limited to the amount of the above-listed bonds and notes tendered and accepted. In addition to the offering under this circular, holders of any of the securities listed, other than commercial banks, are offered the privilege of exchanging all or any part of such securities for 2¼ percent Treasury bonds of 1956-59, and all holders, including commercial banks, may exchange for 1½ percent Treasury notes of Series A-1948, which offerings are set forth in Department Circulars Nos. 735 and 736, issued simultaneously with this circular.

#### II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of 2½ percent Treasury bonds of 1965-70 issued pursuant to Department Circular No. 729, dated January 18, 1944, will be freely interchangeable therewith, and are identical in all respects therewith. They are dated February 1, 1944, and bear interest from that date at the rate of 2½ percent per annum,

payable on a semiannual basis on September 15, 1944, and thereafter on March 15 and September 15 in each year until the principal amount becomes payable. They will mature March 15, 1970, but may be redeemed at the option of the United States on and after March 15, 1965, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds will be acceptable to secure deposits of public moneys. They will not be entitled to any privilege of conversion.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, \$100,000, and \$1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury. Except as provided in section I of Department Circular No. 729, these bonds may not, before February 1, 1954, be transferred to or be held by commercial banks, which are defined for this purpose as banks accepting demand deposits; however, the bonds may be pledged as collateral for loans, including loans by commercial banks, but any such bank acquiring such bonds before February 1, 1954, because of the failure of such loans to be paid at maturity will be required to dispose of them in the same manner as they dispose of other assets not eligible to be owned by banks.

5. Any bonds issued hereunder which upon the death of the owner constitute part of his estate, will be redeemed at the option of the duly constituted representatives of the deceased owner's estate, at par and accrued interest to date of payment,<sup>1</sup> *Provided:*

(a) that the bonds were actually owned by the decedent at the time of his death; and

(b) that the Secretary of the Treasury be authorized to apply the entire proceeds of redemption to the payment of Federal estate taxes.

Registered bonds submitted for redemption hereunder must be duly assigned to "The Secretary of the Treasury for redemption, the proceeds to be paid to the Collector of Internal Revenue at ----- for credit on Federal estate taxes due from estate of -----." Owing to the periodic closing of the transfer books and the impossibility of stopping payment of interest to the registered owner during the closed period, registered bonds received after the closing of the books for payment during such closed period will be paid only at par with a deduction of interest from the date of payment to the next interest payment date;<sup>2</sup> bonds received during the closed period for payment at a date after the books reopen will be paid at par plus accrued interest from the reopening of the books to the date of payment. In either case checks for the full six months' interest due on the last day of the closed period will be forwarded to the owner in due course. All bonds submitted must be accompanied by Form PD 1782,<sup>3</sup> properly completed, signed and sworn to, and by a certificate of the appointment of the personal representatives, under seal of the court, dated not more than six months prior to the submission of the bonds, which shall show that at the date thereof the appointment was still in force and effect. Upon payment of the bonds appropriate memorandum receipt will be forwarded to the representatives, which will be followed in due course by formal receipt from the Collector of Internal Revenue.

6. Except as provided in the preceding paragraphs, the bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

<sup>1</sup> An exact half-year's interest is computed for each full half-year period irrespective of the actual number of days in the half year. For a fractional part of any half year, computation is on the basis of the actual number of days in such half year.

<sup>2</sup> The transfer books are closed from Feb. 16 to Mar. 15, and from Aug. 16 to Sept. 15 (both dates inclusive) in each year.

<sup>3</sup> Copies of Form PD 1782 may be obtained from any Federal Reserve Bank or from the Treasury Department, Washington, D. C.

## III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

## IV. PAYMENT

1. Payment at par and accrued interest from February 1, 1944, for bonds allotted hereunder must be made or completed on or before March 15, 1944, or on later allotment. Payment of the principal amount may be made only in the bonds or notes to be exchanged, which will be accepted at par, and should accompany the subscription. Accrued interest on the securities surrendered will be credited, and accrued interest on the new bonds from February 1, 1944, will be charged, as shown in the table at the end of this circular. Where the table shows that an amount will be collected from the subscriber, the remittance should accompany the securities and subscription. Where an amount is to be paid to the subscriber, it will be paid, in the case of coupon bonds and notes, following their acceptance, and in the case of registered bonds, following discharge of registration. Interest accrued on the securities to be exchanged, and on the new bonds to be issued, will be adjusted as of various dates as follows:

<i>Securities to be exchanged</i>	<i>Date of adjustment</i>
Treasury notes of Series B-1944-----	Mar. 15, 1944.
FFMC bonds of 1944-64-----	Mar. 15, 1944.
RFC notes of Series W-----	Mar. 15, 1944.
Treasury bonds of 1944-46-----	Apr. 15, 1944.
HOLC bonds, Series A 1944-52-----	May 1, 1944.
FFMC bonds of 1944-49-----	May 15, 1944.
Treasury notes of Series A-1944-----	Mar. 15 or June 15, 1944, as the holder may elect and specify in his subscription.

2. Holders of Treasury notes of Series B-1944 and FFMC bonds of 1944-64 will *detach* coupons dated March 15, 1944, and cash them when due. With respect to the other five issues, all unmaturing coupons, *including the one next due*, must be *attached* to the securities to be exchanged when they are surrendered, and final interest on these securities, and on registered bonds in all cases, will be paid or credited in a net amount.

## V. SURRENDER OF CALLED BONDS

1. *Coupon bonds.*—Treasury bonds of 1944-46, HOLC bonds of Series A 1944-52, FFMC bonds of 1944-49 and FFMC bonds of 1944-64 in coupon form tendered in payment for bonds offered hereunder should be presented and surrendered with the subscription to a Federal Reserve Bank or branch or to the Treasurer of the United States, Washington, D. C. Coupons dated April 15, 1944, May 1, 1944, May 15, 1944, and September 15, 1944, respectively, and all coupons bearing subsequent dates, should be attached to such bonds when surrendered, and if any such coupons are missing, the subscription must be accompanied by cash payment equal to the face amount of the missing coupons. The bonds must be delivered at the expense and risk of the holder. Facilities for transportation of bonds by registered mail insured may be arranged between incorporated banks and trust companies and the Federal Reserve Banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents.

2. *Registered bonds.*—Treasury bonds of 1944-46, HOLC bonds of Series A 1944-52, FFMC bonds of 1944-49 and FFMC bonds of 1944-64 in registered form tendered in payment for bonds offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department governing assignments for redemption, in one of the forms hereafter set forth, and thereafter should be presented and surrendered



with the subscription to a Federal Reserve Bank or branch or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holder. If the new bonds are desired registered in the same name as the bonds surrendered, the assignment should be to "The Secretary of the Treasury for exchange for Treasury bonds of 1965-70"; if the new bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for Treasury bonds of 1965-70 in the name of -----"; if new bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for Treasury bonds of 1965-70 in coupon form to be delivered to -----."

## VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

*Table of interest adjustments per \$1,000 in connection with exchange of various bonds and notes for 2½% Treasury bonds of 1965-70, dated Feb. 1, 1944, under Department Circular No. 734*

Securities surrendered	Accrued interest to be credited on securities surrendered	Accrued interest to be charged on bonds issued	Net amount to be paid to subscriber	Net amount to be collected from subscriber
Exchange as of Mar. 15, 1944:				
1% Treasury notes, Series B-1944.....		\$2.9533		\$2.9533
3¼% FFMC bonds of 1944-64 in coupon form.....		2.9533		2.9533
3¼% FFMC bonds of 1944-64 in registered form.....	\$16.25	2.9533	\$13.2967	
1% RFC notes, Series W.....	4.15301	2.9533	1.19971	
¾% Treasury notes, Series A-1944.....	1.86475	2.9533		1.08855
Exchange as of Apr. 15, 1944: 3¼% Treasury bonds of 1944-46.....	16.25	5.05927	11.19073	
Exchange as of May 1, 1944: 3% HOLC bonds, Series A 1944-52.....	15.00	6.14623	8.85377	
Exchange as of May 15, 1944: 3% FFMC bonds of 1944-49.....	15.00	7.09732	7.90268	
Exchange as of June 15, 1944: ¾% Treasury notes, Series A-1944.....	3.75	9.2033		5.4533

It will be noted that the holder of the securities to be exchanged will be paid or credited with interest at the rate borne by those securities to their respective maturity or redemption dates, except in the case of the RFC notes and, at the holder's option, the Treasury notes of Series A-1944.

Treasury bonds of 1956-59 (additional). Department Circular No. 735. Public Debt]

TREASURY DEPARTMENT,  
Washington, March 2, 1944.

## I. EXCHANGE OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par with adjustments of accrued interest as shown in the table at the end of this circular, from the people of the United States for bonds of the United States, designated 2½ percent

Treasury bonds of 1956-59, in payment of which any of the following listed securities, singly or in combinations aggregating \$500 or multiples thereof, may be tendered:

Treasury issues:

1% Treasury notes of Series B-1944, maturing March 15, 1944.

3¼% Treasury bonds of 1944-46, called for redemption on April 15, 1944.

¾% Treasury notes of Series A-1944, maturing June 15, 1944.

Federal Farm Mortgage Corporation issues:

3¼% FFMC bonds of 1944-64, called for redemption on March 15, 1944.

3% FFMC bonds of 1944-49, called for redemption on May 15, 1944.

Reconstruction Finance Corporation issue: 1% RFC notes of Series W, maturing April 15, 1944.

Home Owners' Loan Corporation issue: 3% HOLC bonds, Series A 1944-52, called for redemption on May 1, 1944.

These bonds will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits. The amount of the offering under this circular will be limited to the amount of the above-listed bonds and notes tendered and accepted. In addition to the offering under this circular, holders of any of the securities listed, other than commercial banks, are offered the privilege of exchanging all or any part of such securities for 2½ percent Treasury bonds of 1965-70, and all holders, including commercial banks, may exchange for 1½ percent Treasury notes of Series A-1948, which offerings are set forth in Department Circulars Nos. 734 and 736, issued simultaneously with this circular.

## II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of 2¼ percent Treasury bonds of 1956-59 issued pursuant to Department Circular No. 730, dated January 18, 1944, will be freely interchangeable therewith, and are identical in all respects therewith. They are dated February 1, 1944, and bear interest from that date at the rate of 2¼ percent per annum, payable on a semiannual basis on September 15, 1944, and thereafter on March 15 and September 15 in each year until the principal amount becomes payable. They will mature September 15, 1959, but may be redeemed at the option of the United States on and after September 15, 1956, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds will be acceptable to secure deposits of public moneys. They will not be entitled to any privilege of conversion.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, \$100,000, and \$1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury. Except as provided in section I of Department Circular No. 730, these bonds may not, before September 15, 1946, be transferred to or be held by commercial banks, which are defined for this purpose as banks accepting demand deposits; however, the bonds may be pledged as collateral for loans, including loans by commercial banks, but any such bank acquiring such bonds before September 15, 1946, because of the failure of such loans to be paid at maturity will be required to dispose of them in the same manner as they dispose of other assets not eligible to be owned by banks.

5. Any bonds issued hereunder which upon the death of the owner constitute part of his estate, will be redeemed at the option of the duly constituted representatives of the deceased owner's estate, at par and accrued interest to date of payment<sup>1</sup> \* \* \*.

### III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington.<sup>1</sup> \* \* \*

### IV. PAYMENT

1. Payment at par and accrued interest from February 1, 1944, for bonds allotted hereunder must be made or completed on or before March 15, 1944, or on later allotment. Payment of the principal amount may be made only in the bonds or notes to be exchanged, which will be accepted at par, and should accompany the subscription. Accrued interest on the securities surrendered will be credited, and accrued interest on the new bonds from February 1, 1944, will be charged, as shown in the table at the end of this circular. Where the table shows that an amount will be collected from the subscriber, the remittance should accompany the securities and subscription. Where an amount is to be paid to the subscriber, it will be paid, in the case of coupon bonds and notes, following their acceptance, and in the case of registered bonds, following discharge of registration.<sup>1</sup> \* \* \*

### V. SURRENDER OF CALLED BONDS

1. *Coupon bonds*.—Treasury bonds of 1944-46, HOLC bonds of Series A 1944-52, FFMC bonds of 1944-49 and FFMC bonds of 1944-64 in coupon form tendered in payment for bonds offered hereunder should be presented and surrendered with the subscription to a Federal Reserve Bank or branch or to the Treasurer of the United States, Washington, D. C.<sup>1</sup> \* \* \*

2. *Registered bonds*.—Treasury bonds of 1944-46, HOLC bonds of Series A 1944-52, FFMC bonds of 1944-49 and FFMC bonds of 1944-64 in registered form tendered in payment for bonds offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department governing assignments for redemption, in one of the forms hereafter set forth, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or branch or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holder. If the new bonds are desired registered in the same name as the bonds surrendered, the assignment should be to "The Secretary of the Treasury for exchange for Treasury bonds of 1956-59"; if the new bonds are desired registered in another name, the assignment should be to "The Secretary of the Treasury for exchange for Treasury bonds of 1956-59 in the name of -----"; if new bonds in coupon form are desired, the assignment should be to "The Secretary of the Treasury for exchange for Treasury bonds of 1956-59 in coupon form to be delivered to -----."

### VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions<sup>1</sup> \* \* \*.

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

<sup>1</sup> Omitted portion similar to corresponding section of Department Circular No. 734, p. 292.

*Table of interest adjustments per \$1,000 in connection with exchange of various bonds and notes for 2¼% Treasury bonds of 1956-59, dated Feb. 1, 1944, under Department Circular No. 735*

Securities surrendered	Accrued interest to be credited on securities surrendered	Accrued interest to be charged on bonds issued	Net amount to be paid to subscriber	Net amount to be collected from subscriber
Exchange as of Mar. 15, 1944:				
1% Treasury notes, Series B-1944.....		\$2. 65797		\$2. 65797
3¼% FFMC bonds of 1944-64 in coupon form.....		2. 65797		2. 65797
3¼% FFMC bonds of 1944-64 in registered form.....	\$16. 25	2. 65797	\$13. 59203	
1% RFC notes, Series W.....	4. 15391	2. 65797	1. 49504	
¾% Treasury notes, Series A-1944.....	1. 86475	2. 65797		. 79322
Exchange as of Apr. 15, 1944: ¾% Treasury bonds of 1944-46.....	16. 25	4. 53335	11. 69665	
Exchange as of May 1, 1944: 3% HOLC bonds, Series A 1944-52.....	15. 00	5. 53161	9. 46839	
Exchange as of May 15, 1944: 3% FFMC bonds of 1944-49.....	15. 00	6. 38759	8. 61241	
Exchange as of June 15, 1944: ¾% Treasury notes, Series A-1944.....	3. 75	8. 28297		4. 53297

It will be noted that the holder of the securities to be exchanged will be paid or credited with interest at the rate borne by those securities to their respective maturity or redemption dates, except in the case of the RFC notes and, at the holder's option, the Treasury notes of Series A-1944.

[Treasury notes. Department Circular No. 736. Public Debt]

TREASURY DEPARTMENT,  
Washington, March 2, 1944.

#### I. EXCHANGE OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par with adjustments of accrued interest as shown in the table at the end of this circular, from the people of the United States for notes of the United States, designated 1½ percent Treasury notes of Series A-1948, in payment of which any of the following listed securities, singly or in combinations aggregating \$1,000 or multiples thereof, may be tendered.

##### Treasury issues:

1% Treasury notes of Series B-1944, maturing March 15, 1944.

¾% Treasury bonds of 1944-46, called for redemption on April 15, 1944.

¾% Treasury notes of Series A-1944, maturing June 15, 1944.

##### Federal Farm Mortgage Corporation issues:

¾% FFMC bonds of 1944-64, called for redemption on March 15, 1944.

3% FFMC bonds of 1944-49, called for redemption on May 15, 1944.

Reconstruction Finance Corporation issue: 1% RFC notes of Series W, maturing April 15, 1944.

Home Owners' Loan Corporation issue: 3% HOLC bonds, Series A-1944-52, called for redemption on May 1, 1944.

The amount of the offering under this circular will be limited to the amount of the above-listed bonds and notes tendered and accepted. In addition to the offering under this circular, holders of any of the securities listed, other than commercial banks, which are defined for this purpose as banks accepting demand deposits, are offered the privilege of exchanging all or any part of such securities for 2½ percent Treasury bonds of 1965-70 or for 2¼ percent Treasury bonds of 1956-59, which offerings are set forth in Department Circulars Nos. 734 and 735, issued simultaneously with this circular.

## II. DESCRIPTION OF NOTES

1. The notes will be dated March 15, 1944, and will bear interest from that date at the rate of 1½ percent per annum, payable semiannually on September 15, 1944, and thereafter on March 15 and September 15 in each year until the principal amount becomes payable. They will mature September 15, 1948, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The notes will be accepted at par during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury in payment of income and profits taxes payable at the maturity of the notes.

4. The notes will be acceptable to secure deposits of public moneys.

5. Bearer notes with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. The notes will not be issued in registered form.

6. The notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States notes.

## III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington.<sup>1</sup> \* \* \*

## IV. PAYMENT

1. Payment at par and accrued interest, if any, for notes allotted hereunder must be made or completed on or before March 15, 1944, or on later allotment. Payment of the principal amount may be made only in the bonds or notes to be exchanged, which will be accepted at par, and should accompany the subscription. Accrued interest on the securities surrendered will be credited, and accrued interest on the new notes from March 15, 1944, will be charged, as shown in the table at the end of this circular. Where an amount is to be paid to the subscriber, it will be paid, in the case of coupon bonds and notes, following their acceptance, and in the case of registered bonds, following discharge of registration. Interest accrued on the securities to be exchanged, and on the new notes to be issued, will be adjusted as of various dates as follows:<sup>1</sup> \* \* \*

## V. SURRENDER OF CALLED BONDS

1. *Coupon bonds.*—Treasury bonds of 1944–46, HOLC bonds of Series A 1944–52, FFMC bonds of 1944–49 and FFMC bonds of 1944–64 in coupon form tendered in payment for notes offered hereunder should be presented and surrendered with the subscription to a Federal Reserve Bank or branch or to the Treasurer of the United States, Washington, D. C.<sup>1</sup> \* \* \*

2. *Registered bonds.*—Treasury bonds of 1944–46, HOLC bonds of Series A 1944–52, FFMC bonds of 1944–49 and FFMC bonds of 1944–64 in registered form tendered in payment for notes offered hereunder should be assigned by the registered payees or assignees thereof, in accordance with the general regulations of the Treasury Department governing assignments for redemption, to "The Secretary of the Treasury for exchange for Treasury notes of Series A–1948 to be delivered to -----," and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or branch or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holder.

## VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment

<sup>1</sup> Omitted portion similar to corresponding section of Department Circular No. 734, p. 292.

for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

*Table of interest adjustments per \$1,000 in connection with exchange of various bonds and notes for 1½% Treasury notes of Series A-1948, dated Mar. 15, 1944, under Department Circular No. 736*

Securities surrendered	Accrued interest to be credited on securities surrendered	Accrued interest to be charged on notes issued	Net amount to be paid to subscriber	Net amount to be collected from subscriber
Exchange as of Mar. 15, 1944:				
1% Treasury notes, Series B-1944				
3¼% FFMC bonds of 1944-64 in coupon form				
3¼% FFMC bonds of 1944-64 in registered form	\$16.25		\$16.25	
1% RFC notes, Series W	4.15301		4.15301	
¾% Treasury notes, Series A-1944	1.86475		1.86475	
Exchange as of Apr. 15, 1944: 3¼% Treasury bonds of 1944-46	16.25	\$1.26359	14.98641	
Exchange as of May 1, 1944: 3% HOLC bonds, Series A 1944-52	15.00	1.91576	13.08424	
Exchange as of May 15, 1944: 3% FFMC bonds of 1944-49	15.00	2.48641	12.51359	
Exchange as of June 15, 1944: ¾% Treasury notes, Series A-1944	3.75	3.75		

It will be noted that the holder of the securities to be exchanged will be paid or credited with interest at the rate borne by those securities to their respective maturity or redemption dates, except in the case of the RFC notes and, at the holder's option, the Treasury notes of Series A-1944.

### Exhibit 16

*Allotments, Treasury bonds of 1965-70 (additional), Treasury bonds of 1956-59 (additional), and Treasury notes of Series A-1948 (from press releases March 7 and 20, 1944<sup>1</sup>)*

On March 7, 1944, Secretary of the Treasury Morgenthau announced the closing time of the subscription books for the offering of 2½ percent Treasury bonds of 1965-70 (additional), 2¼ percent Treasury bonds of 1956-59 (additional), and 1½ percent Treasury notes of Series A-1948, offered in exchange for the 7 called or maturing issues enumerated below. Except for the receipt of subscriptions from holders of \$100,000 or less, in the aggregate, the books closed at the close of business March 8 for the receipt of subscriptions in payment of which notes of any of the three maturing issues were tendered, and at the close of business March 11 for the receipt of subscriptions in payment of which bonds of any of the four called issues were tendered. The subscription books closed at the close of business March 15 for the receipt of subscriptions from holders of \$100,000 or less, in the aggregate, of the securities eligible for exchange.

Of the \$4,729,000,000 of the called or maturing issues that were outstanding, \$3,919,106,500 were exchanged as follows:

<sup>1</sup> Revised July 17, 1944.

Description and title	Amount exchanged
Treasury issues:	
1% Treasury notes of Series B-1944.....	\$482,988,900
3½% Treasury bonds of 1944-46.....	1,222,906,950
¾% Treasury notes of Series A-1944.....	269,628,200
Federal Farm Mortgage Corporation issues:	
3½% FFMC bonds of 1944-64.....	75,800,700
3% FFMC bonds of 1944-49.....	704,924,700
Reconstruction Finance Corporation issue: 1% RFC notes of Series W.....	559,124,000
Home Owners' Loan Corporation issue: 3% HOLC bonds of Series A 1944-52.....	603,733,050
Total.....	3,919,106,500

All subscriptions were allotted in full. Allotments of the new securities were divided among the Federal Reserve districts and the Treasury as follows:

Federal Reserve district	2½% Treasury bonds of 1965-70 (additional)	2¼% Treasury bonds of 1956-59 (additional)	1½% Treasury notes of Series A-1948	Total subscriptions received and allotted
Boston.....	\$3,866,000	\$10,415,000	\$71,234,000	\$85,515,000
New York.....	18,926,500	24,803,500	2,824,694,000	2,868,424,000
Philadelphia.....	3,453,000	3,730,500	129,294,000	136,477,500
Cleveland.....	9,811,000	4,897,500	83,411,000	98,119,500
Richmond.....	5,766,000	23,982,500	26,587,000	56,335,500
Atlanta.....	2,285,000	1,116,000	35,637,000	39,038,000
Chicago.....	11,583,500	11,776,000	319,997,000	343,356,500
St. Louis.....	5,937,500	2,360,000	36,867,000	45,164,500
Minneapolis.....	1,964,000	2,704,500	40,538,000	45,206,500
Kansas City.....	7,237,000	3,276,500	77,933,000	88,446,500
Dallas.....	1,897,500	1,598,500	27,066,000	30,562,000
San Francisco.....	2,500,500	3,167,000	66,565,000	72,232,500
Treasury.....	1,305,500	1,044,000	7,879,000	10,228,500
Total.....	76,533,000	94,871,500	3,747,702,000	3,919,106,500

### Exhibit 17

#### *Offering of ¾ percent Treasury certificates of indebtedness of Series B-1945*

On March 22, 1944, Secretary of the Treasury Morgenthau invited subscriptions for ¾ percent Treasury certificates of indebtedness of Series B-1945 in exchange for Treasury certificates of indebtedness of Series B-1944, maturing April 1, 1944. In the related press release it was stated that \$5,251 millions of Series B-1944 certificates were outstanding.

[Department Circular No. 737. Public Debt]

TREASURY DEPARTMENT,  
Washington, March 22, 1944.

#### I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for certificates of indebtedness of the United States, designated ¾ percent Treasury certificates of indebtedness of Series B-1945, in exchange for Treasury certificates of indebtedness of Series B-1944, maturing April 1, 1944.

#### II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated April 1, 1944, and will bear interest from that date at the rate of ¾ percent per annum, payable semiannually on October 1, 1944, and April 1, 1945. They will mature April 1, 1945, and will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all Federal taxes, now or hereafter imposed. The certificates shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all

taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer certificates with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. The certificates will not be issued in registered form.

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

### III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of certificates applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

### IV. PAYMENT

1. Payment at par for certificates allotted hereunder must be made on or before April 1, 1944, or on later allotment, and may be made only in Treasury certificates of indebtedness of Series B-1944, maturing April 1, 1944, which will be accepted at par, and should accompany the subscription.

### V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for certificates allotted, to make delivery of certificates on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive certificates.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

### Exhibit 18

*Allotments, Treasury certificates of indebtedness of Series B-1945 (from press releases March 24 and 31, 1944)*

On March 24, 1944, Secretary of the Treasury Morgenthau announced that the subscription books for the offering of  $\frac{3}{8}$  percent Treasury certificates of indebtedness of Series B-1945, offered in exchange for maturing Treasury certificates of indebtedness of Series B-1944, would close at the close of business March 25. Subscriptions totaling \$4,876,729,000 were received, all of which were allotted.

Allotments were divided among the Federal Reserve districts and the Treasury as follows:

Federal Reserve district	Subscriptions received and allotted	Federal Reserve district	Subscriptions received and allotted
Boston .....	\$229,607,000	Minneapolis .....	\$111,331,000
New York .....	2,547,493,000	Kansas City .....	144,054,000
Philadelphia .....	154,535,000	Dallas .....	101,406,000
Cleveland .....	247,558,000	San Francisco .....	368,935,000
Richmond .....	98,363,000	Treasury .....	2,958,000
Atlanta .....	141,112,000		
Chicago .....	586,428,000	Total .....	4,876,729,000
St. Louis .....	142,949,000		



## Exhibit 19

*Offering of  $\frac{7}{8}$  percent Treasury certificates of indebtedness of Series D-1945*

On April 24, 1944, Secretary of the Treasury Morgenthau invited subscriptions for  $\frac{7}{8}$  percent Treasury certificates of indebtedness of Series D-1945 in exchange for Treasury certificates of indebtedness of Series C-1944, maturing May 1, 1944. In the related press release it was stated that \$1,655,203,000 of Series C-1944 certificates were outstanding.

[Department Circular No. 744. Public Debt]

TREASURY DEPARTMENT,  
Washington, April 24, 1944.

## I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for certificates of indebtedness of the United States, designated  $\frac{7}{8}$  percent Treasury certificates of indebtedness of Series D-1945, in exchange for Treasury certificates of indebtedness of Series C-1944, maturing May 1, 1944.

## II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated May 1, 1944, and will bear interest from that date at the rate of  $\frac{7}{8}$  percent per annum, payable semiannually on November 1, 1944, and May 1, 1945. They will mature May 1, 1945, and will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all Federal taxes, now or hereafter imposed. The certificates shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer certificates with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000, and \$1,000,000. The certificates will not be issued in registered form.

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

## III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of certificates applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

## IV. PAYMENT

1. Payment at par for certificates allotted hereunder must be made on or before May 1, 1944, or on later allotment, and may be made only in Treasury certificates of indebtedness of Series C-1944, maturing May 1, 1944, which will be accepted at par, and should accompany the subscription.

## V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for certificates allotted, to make delivery of certificates on full-paid subscriptions

allotted, and they may issue interim receipts pending delivery of the definitive certificates.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

### Exhibit 20

*Allotments, Treasury certificates of indebtedness of Series D-1945 (from press releases, April 25 and May 4, 1944<sup>1</sup>)*

On April 25, Secretary of the Treasury Morgenthau announced that the subscription books for the offering of  $\frac{7}{8}$  percent Treasury certificates of indebtedness of Series D-1945, offered in exchange for maturing Treasury certificates of indebtedness of Series C-1944, would close at the close of business April 26. Subscriptions aggregated \$1,614,741,000, all of which were allotted in full.

The allotments were divided among the Federal Reserve districts and the Treasury as follows:

Federal Reserve district	Subscriptions received and allotted	Federal Reserve district	Subscriptions received and allotted
Boston.....	\$79,926,000	Minneapolis.....	\$36,487,000
New York.....	863,384,000	Kansas City.....	46,442,000
Philadelphia.....	27,442,000	Dallas.....	27,340,000
Cleveland.....	74,890,000	San Francisco.....	97,875,000
Richmond.....	23,658,000	Treasury.....	3,125,000
Atlanta.....	31,992,000		
Chicago.....	268,997,000	Total.....	1,614,741,000
St. Louis.....	33,183,000		

### Exhibit 21

*Offering of 2½ percent Treasury bonds of 1965-70 (additional), 2 percent Treasury bonds of 1952-54, 1¼ percent Treasury notes of Series B-1947, and ¾ percent Treasury certificates of indebtedness of Series C-1945 (Fifth War Loan)*

On June 12, 1944, Secretary of the Treasury Morgenthau invited subscriptions for unspecified amounts of 2½ percent Treasury bonds of 1965-70, 2 percent Treasury bonds of 1952-54, 1¼ percent Treasury notes of Series B-1947, and ¾ percent Treasury certificates of indebtedness of Series C-1945. The 2½ percent Treasury bonds were an addition to the series issued pursuant to Department Circular No. 729, dated January 18, 1944, and pursuant to Department Circular No. 734, dated March 2, 1944.

The 2½ percent and 2 percent Treasury bonds were not available for subscription, for their own account, by commercial banks defined as banks accepting demand deposits, except that a commercial bank holding savings deposits or issuing time certificates of deposit (as each is defined in Regulation Q of the Board of Governors of the Federal Reserve System) might subscribe to the 2½ percent and 2 percent Treasury bonds, but the amount of such subscriptions, together with the amount of subscriptions such bank might have entered for its own account for Series F or G savings bonds since January 1, 1944, and for 2½ percent Treasury bonds of 1956-59 or 2½ percent Treasury bonds of 1965-70 between January 18 and February 15, 1944, was limited in the aggregate to 20 percent of the combined amount of time certificates of deposit (those issued in the names of individuals) and of savings deposits, as shown on the bank's books as of the date of the most recent call statement required by the supervising authorities prior to the date of subscription for such bonds, or \$400,000, whichever is less. The limitation of \$100,000 on the amount of Series F and G savings bonds (Series 1944), or a combination of the two, held by any one institution remained unchanged.

The 1¼ percent Treasury notes of Series B-1947 and the ¾ percent certificates of indebtedness of Series C-1945 were not available to commercial banks.

<sup>1</sup> Revised June 21, 1944.

[Treasury bonds of 1965-70 (additional). Department Circular No. 740. Public Debt]

TREASURY DEPARTMENT,  
*Washington, June 12, 1944.*

#### I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for bonds of the United States, designated 2½ percent Treasury bonds of 1965-70. The amount of the offering under this circular is not specifically limited.

2. These bonds will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits, except as follows: a commercial bank holding savings deposits or issuing time certificates of deposit (as each is defined in Regulation Q of the Board of Governors of the Federal Reserve System) may subscribe to the bonds offered hereunder and to the 2 percent Treasury bonds of 1952-54 offered simultaneously herewith under Treasury Department Circular No. 741, but the amount of such subscriptions, together with that of any other subscriptions such bank may have entered for its own account for Series F or Series G savings bonds since January 1, 1944, and for 2¼ percent Treasury bonds of 1956-59 or 2½ percent Treasury bonds of 1965-70 between January 18 and February 15, 1944, shall not exceed, in the aggregate, 20 percent of the combined amount of time certificates of deposit (but only those issued in the names of individuals, and of corporations, associations and other organizations not operated for profit), and of savings deposits, as shown on the bank's books as of the date of the most recent call statement required by the supervising authorities prior to the date of subscription for such bonds, or \$400,000, whichever is less. No such bank shall hold more than \$100,000 (issue price) of Series F and Series G savings bonds (Series 1944), combined.

#### II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of 2½ percent Treasury bonds of 1965-70 issued pursuant to Department Circular No. 729, dated January 18, 1944, an additional amount of which was issued pursuant to Department Circular No. 734, dated March 2, 1944; after the first interest payment date, September 15, 1944, the bonds now offered will be freely interchangeable with the bonds of this series previously issued, and are identical in all respects therewith except that interest on the bonds to be issued under this circular will accrue from June 26, 1944. The provisions of section I of Department Circular No. 729 are hereby modified to accord with section I of this circular and, subject to such modification, and to the provision for accrual of interest from June 26, 1944, on the bonds now offered, the bonds are described in the following quotation from Department Circular No. 729. [Description omitted here, see p. 285.]

#### III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no purchases of such securities other than on direct subscription until after July 8, 1944. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions must be accompanied by payment in full for the amount of bonds applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, and to the limitations on commercial bank subscriptions prescribed in section I of this circular, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

## IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted hereunder must be made on or before June 26, 1944, or on later allotment.<sup>1</sup> One day's accrued interest is \$0.068 per \$1,000. Any qualified depository will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

## V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

[First amendment, July 5, 1944, to Department Circular No. 740]

TREASURY DEPARTMENT,  
*Washington, July 5, 1944.*

Section IV, PAYMENT, of Department Circular No. 740, dated June 12, 1944, is hereby amended to read as follows:

## IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted hereunder must be made on or before June 26, 1944, or on later allotment; provided, however, that bonds allotted to life insurance companies, to savings institutions, and to States, municipalities, political subdivisions and similar public corporations, and agencies thereof, may be paid for, in whole or in part, at par and accrued interest, at any time or times, with payment to be completed not later than September 30, 1944. One day's accrued interest is \$0.068 per \$1,000. Any qualified depository will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

HENRY MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

[Treasury bonds of 1952-54. Department Circular No. 741. Public Debt]

TREASURY DEPARTMENT,  
*Washington, June 12, 1944.*

## I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for bonds of the United States, designated 2 percent Treasury bonds of 1952-54. The amount of the offering is not specifically limited.

2. These bonds will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits, except as follows: a commercial bank holding savings deposits or issuing time certificates of deposit (as each is defined in Regulation Q of the Board

<sup>1</sup> Amendment of July 5, 1944, follows.

of Governors of the Federal Reserve System) may subscribe to the bonds offered hereunder and to the 2½ percent Treasury bonds of 1965-70 offered simultaneously herewith under Treasury Department Circular No. 740, but the amount of such subscriptions, together with that of any other subscriptions such bank may have entered for its own account for Series F or Series G savings bonds since January 1, 1944, and for 2¼ percent Treasury bonds of 1956-59 or 2½ percent Treasury bonds of 1965-70 between January 18 and February 15, 1944, shall not exceed, in the aggregate, 20 percent of the combined amount of time certificates of deposit (but only those issued in the names of individuals, and of corporations, associations and other organizations not operated for profit), and of savings deposits, as shown on the bank's books as of the date of the most recent call statement required by the supervising authorities prior to the date of subscription for such bonds, or \$400,000, whichever is less. No such bank shall hold more than \$100,000 (issue price) of Series F and Series G savings bonds (Series 1944), combined.

## II. DESCRIPTION OF BONDS

1. The bonds will be dated June 26, 1944, and will bear interest from that date at the rate of 2 percent per annum, payable on a semiannual basis on December 15, 1944, and thereafter on June 15 and December 15 in each year until the principal amount becomes payable. They will mature June 15, 1954, but may be redeemed at the option of the United States on and after June 15, 1952, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds will be acceptable to secure deposits of public moneys. They will not be entitled to any privilege of conversion.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

5. The bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

## III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no purchases of such securities other than on direct subscription until after July 8, 1944. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions must be accompanied by payment in full for the amount of bonds applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, and to the limitations on commercial bank subscriptions prescribed in section I of this circular, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

## IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted hereunder must be made on or before June 26, 1944, or on later allotment.<sup>1</sup> One day's

<sup>1</sup> Amended July 5, 1944, see p. 308.

accrued interest is \$0.055 per \$1,000. Any qualified depository will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

#### V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

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[First amendment, July 5, 1944, to Department Circular No. 741]

TREASURY DEPARTMENT,  
*Washington, July 5, 1944.*

Section IV, PAYMENT, of Department Circular No. 741, dated June 12, 1944, is hereby amended to read as follows:

#### IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted hereunder must be made on or before June 26, 1944, or on later allotment; provided, however, that bonds allotted to life insurance companies, to savings institutions, and to States, municipalities, political subdivisions and similar public corporations, and agencies thereof, may be paid for, in whole or in part, at par and accrued interest, at any time or times, with payment to be completed not later than September 30, 1944. One day's accrued interest is \$0.055 per \$1,000. Any qualified depository will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

HENRY MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

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[Treasury notes. Department Circular No. 742. Public Debt]

TREASURY DEPARTMENT,  
*Washington, June 12, 1944.*

#### I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for notes of the United States, designated 1½ percent Treasury notes of Series B-1947. These notes will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits. The amount of the offering is not specifically limited.

#### II. DESCRIPTION OF NOTES

1. The notes will be dated June 26, 1944, and will bear interest from that date at the rate of 1½ percent per annum, payable on a semiannual basis on September 15, 1944, and thereafter on March 15 and September 15 in each year until the principal amount becomes payable. They will mature March 15, 1947, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to estate, inheritance,

gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The notes will be accepted at par during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury in payment of income and profits taxes payable at the maturity of the notes.

4. The notes will be acceptable to secure deposits of public moneys.

5. Bearer notes with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000, and \$1,000,000. The notes will not be issued in registered form.

6. The notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States notes.

### III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no purchases of such securities other than on direct subscription until after July 8, 1944. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions must be accompanied by payment in full for the amount of notes applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of notes applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

### IV. PAYMENT

1. Payment at par and accrued interest, if any, for notes allotted hereunder must be made on or before June 26, 1944, or on later allotment. One day's accrued interest is \$0.034 per \$1,000. Any qualified depository will be permitted to make payment by credit for notes allotted to its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

### V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

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[Certificates of indebtedness. Department Circular No. 743. Public Debt]

TREASURY DEPARTMENT,  
*Washington, June 12, 1944.*

### 1. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for certificates of indebtedness of the United States, designated  $\frac{7}{8}$  percent Treasury certificates of indebtedness of Series C-1945. These certificates will not be available for subscription, for their own

account, by commercial banks, which are defined for this purpose as banks accepting demand deposits. The amount of the offering is not specifically limited.

## II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated June 26, 1944, and will bear interest from that date at the rate of  $\frac{3}{8}$  percent per annum, payable on a semiannual basis on December, 1, 1944, and June 1, 1945. They will mature June 1, 1945, and will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all Federal taxes, now or hereafter imposed. The certificates shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer certificates with interest coupons attached will be issued in denominations of \$1,000, \$5,000, \$10,000, \$100,000, and \$1,000,000. The certificates will not be issued in registered form.

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

## III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. It is requested that there be no trading in the securities allotted hereunder and no purchases of such securities other than on direct subscription until after July 8, 1944. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions must be accompanied by payment in full for the amount of certificates applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of certificates applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

## IV. PAYMENT

1. Payment at par and accrued interest, if any, for certificates allotted hereunder must be made on or before June 26, 1944, or on later allotment. One day's accrued interest is \$0.024 per \$1,000. Any qualified depository will be permitted to make payment by credit for certificates allotted to its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

## V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for certificates allotted, to make delivery of certificates on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive certificates.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,  
*Secretary of the Treasury.*



## Exhibit 22

*Allotments, Treasury bonds of 1965-70 (additional), Treasury bonds of 1952-54, Treasury notes of Series B-1947, and Treasury certificates of indebtedness of Series C-1945 (from press release July 7<sup>1</sup>) (Fifth War Loan)*

On July 7, 1944, Secretary of the Treasury Morgenthau called attention to the fact that the subscription books would close at the close of business July 8 for the offering of 2½ percent Treasury bonds of 1965-70, 2 percent Treasury bonds of 1952-54, 1¼ percent Treasury notes of Series B-1947, and ⅞ percent Treasury certificates of indebtedness of Series C-1945. Subscriptions aggregated \$15,452,270,000, all of which were allotted in full.

Allotments were divided among the Federal Reserve districts and the Treasury as follows:

Federal Reserve district	2½% Treasury bonds of 1965-70	2% Treasury bonds of 1952-54	1¼% Treasury notes of Series B-1947	⅞% certificates of indebtedness of Series C-1945	Total subscriptions received and allotted
Boston.....	\$230,147,500	\$464,150,500	\$129,425,000	\$235,284,000	\$1,059,007,000
New York.....	1,319,016,000	2,384,411,500	872,113,000	1,783,786,000	6,359,328,500
Philadelphia.....	88,383,500	325,940,500	58,603,000	238,959,000	711,886,000
Cleveland.....	145,945,500	353,095,000	131,039,000	269,532,000	899,611,500
Richmond.....	70,478,000	314,292,500	130,423,000	287,346,000	802,539,500
Atlanta.....	39,024,000	444,655,000	74,126,000	111,933,000	669,738,000
Chicago.....	158,110,000	577,938,500	201,641,000	1,007,858,000	1,945,547,500
St. Louis.....	40,900,000	168,682,000	65,864,000	132,883,000	408,329,000
Minneapolis.....	50,460,500	123,934,500	51,191,000	100,004,000	325,590,000
Kansas City.....	43,453,500	154,165,000	58,075,000	124,640,000	380,333,500
Dallas.....	33,617,000	170,452,000	58,951,000	99,369,000	362,389,000
San Francisco.....	95,230,000	343,459,500	116,442,000	378,333,000	933,464,500
Treasury.....	782,000	305,500	159,000	119,000	1,365,500
Government investment accounts.....	593,140,500	-----	-----	-----	593,140,500
Total.....	2,908,688,000	5,825,482,000	1,948,054,000	4,770,046,000	15,452,270,000

## Treasury bills

## Exhibit 23

*Inviting tenders for Treasury bills dated July 7, 1943 (press release June 30, 1943)*

TREASURY DEPARTMENT,  
Washington, June 30, 1943.

The Secretary of the Treasury, by this public notice, invites tenders for \$1,000,000,000, or thereabouts, of 92-day Treasury bills, to be issued on a discount basis under competitive and fixed-price bidding as hereinafter provided. The bills of this series will be dated July 7, 1943, and will mature October 7, 1943, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of \$1,000, \$5,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and branches up to the closing hour, two o'clock p. m., eastern war time, Friday, July 2, 1943. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or branches on application therefor.

<sup>1</sup> Revised Dec. 27, 1944, and Jan. 16, 1945.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids.

Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, tenders for \$100,000 or less from any one bidder at 99.905 entered on a fixed-price basis will be accepted in full. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on July 7, 1943.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under Federal tax acts now or hereafter enacted. The bills shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, as amended, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or branch.

### Exhibit 24

*Acceptance of tenders for Treasury bills dated July 7, 1943 (press release July 3, 1943)*

TREASURY DEPARTMENT,  
Washington, July 3, 1943.

The Secretary of the Treasury announced last evening that the tenders for \$1,000,000,000, or thereabouts, of 92-day Treasury bills to be dated July 7 and to mature October 7, 1943, which were offered on June 30, 1943, were opened at the Federal Reserve Banks on July 2.

The details of this issue are as follows:

Total applied for—\$1,175,078,000.

Total accepted—\$1,001,757,000 (includes \$39,993,000 entered on a fixed-price basis at 99.905 and accepted in full).

Range of accepted bids:

High—99.910. Equivalent rate of discount approximately 0.352% per annum.

Low—99.904. Equivalent rate of discount approximately 0.376% per annum.

Average price—99.904. Equivalent rate of discount approximately 0.375% per annum.

(93 percent of the amount bid for at the low price was accepted.)

Federal Reserve Bank	Total applied for	Total accepted
Boston.....	\$23,750,000	\$22,856,000
New York.....	808,900,000	661,783,000
Philadelphia.....	26,985,000	25,389,000
Cleveland.....	15,793,000	15,618,000
Richmond.....	12,885,000	12,630,000
Atlanta.....	3,250,000	3,000,000
Chicago.....	155,705,000	146,344,000
St. Louis.....	29,657,000	18,579,000
Minneapolis.....	5,240,000	5,240,000
Kansas City.....	19,688,000	19,445,000
Dallas.....	13,465,000	13,437,000
San Francisco.....	59,760,000	57,436,000
Total.....	1,175,078,000	<sup>1</sup> 1,001,757,000

<sup>1</sup> Preliminary; final amount as announced on July 7, 1943, \$1,003,063,000, including \$40,593,000 accepted on a fixed-price basis.

### Exhibit 25

Press releases pertaining to Treasury bill issues during the fiscal year 1944 were similar in form to exhibits 23 and 24 and are, therefore, not here reproduced. The essential details regarding each issue are summarized in the following table.

Summary of information contained in press releases issued in connection with Treasury bills offered during the fiscal year 1944

Date of issue <sup>1</sup>	Date of maturity	Days to maturity	Total amount applied for <sup>2</sup> (in thousands)	Tenders accepted						On fixed-price basis at 99.905 and accepted in full <sup>2</sup> (in thousands)	
				Total amount accepted <sup>2</sup> (in thousands)	On competitive bidding			Average			
					Highest		Lowest		Amount <sup>2</sup> (in thousands)		Price (per hundred)
					Price (per hundred)	Equivalent rate <sup>3</sup> (per cent)	Price (per hundred)	Equivalent rate <sup>3</sup> (per cent)			
1943	1943										
July 7.....	Oct. 7.....	92	\$1,176,378	99.910	0.352	99.904	0.376	\$92,470	99.904+	0.375	\$40,593
July 14.....	Oct. 14.....	92	1,345,535	99.925	.293	99.904	.376	932,795	99.904+	.374	68,364
July 21.....	Oct. 21.....	92	1,529,329	99.910	.352	99.904	.376	932,971	99.905	.374	70,738
July 28.....	Oct. 28.....	92	1,373,776	99.910	.352	99.904	.376	934,048	99.904+	.374	48,769
Aug. 4.....	Nov. 4.....	92	1,408,919	99.909	.356	99.904	.376	948,405	99.904+	.374	57,357
Aug. 12.....	Nov. 12.....	92	1,419,028	99.912	.344	99.904	.376	932,297	99.904+	.374	62,451
Aug. 19.....	Nov. 19.....	91	1,420,507	99.909	.360	99.905	.376	929,424	99.905+	.375	75,920
Aug. 26.....	Nov. 26.....	92	1,277,910	99.911	.348	99.904	.376	934,006	99.904+	.374	68,329
Sept. 2.....	Dec. 2.....	91	1,177,631	99.925	.297	99.905	.376	942,292	99.905+	.375	59,548
Sept. 9.....	Dec. 9.....	91	1,281,212	99.909	.360	99.905	.376	930,446	99.905+	.375	54,471
Sept. 16.....	Dec. 16.....	91	1,535,624	99.911	.352	99.905	.376	932,245	99.905+	.374	73,394
Sept. 23.....	Dec. 23.....	91	1,498,846	99.921	.301	99.905	.376	940,155	99.906	.374	77,261
Sept. 30.....	Dec. 30.....	91	1,337,748	99.926	.293	99.905	.376	943,200	99.905+	.375	59,778
1944	1944										
Oct. 7.....	Jan. 6.....	91	1,239,489	99.926	.293	99.905	.376	955,064	99.905+	.375	51,860
Oct. 14.....	Jan. 13.....	91	1,184,792	99.926	.293	99.905	.376	951,319	99.905+	.375	53,387
Oct. 21.....	Jan. 20.....	91	1,413,861	99.926	.293	99.905	.376	928,921	99.905+	.375	71,845
Oct. 28.....	Jan. 27.....	91	1,286,629	99.915	.336	99.905	.376	940,294	99.905+	.375	67,771
Nov. 4.....	Feb. 3.....	91	1,142,651	99.915	.336	99.905	.376	935,171	99.905+	.375	67,459
Nov. 12.....	Feb. 10.....	90	1,247,651	99.915	.340	99.905	.376	929,078	99.906+	.376	75,587
Nov. 18.....	Feb. 17.....	91	1,221,697	99.925	.297	99.905	.376	927,301	99.905+	.375	73,998
Nov. 26.....	Feb. 24.....	90	1,021,645	99.910	.360	99.905	.376	930,525	99.906+	.376	78,142
Dec. 2.....	Mar. 2.....	91	1,543,982	99.925	.297	99.905	.376	942,497	99.905+	.375	63,868
Dec. 9.....	Mar. 9.....	91	1,634,320	99.910	.356	99.905	.376	947,567	99.905+	.375	63,807
Dec. 16.....	Mar. 16.....	91	1,814,954	99.925	.297	99.905	.376	934,413	99.905+	.375	65,767
Dec. 23.....	Mar. 23.....	91	1,791,697	99.909	.360	99.905	.376	944,848	99.905+	.375	60,701
Dec. 30.....	Mar. 30.....	91	1,771,759	99.910	.356	99.905	.376	959,034	99.905+	.375	41,949



## United States savings bonds

## Exhibit 26

*Second Revision, August 31, 1943, to Department Circular No. 653, relative to United States war savings bonds of Series E, and first supplement, June 7, 1944*

SECOND REVISION, AUGUST 31, 1943, TO DEPARTMENT CIRCULAR NO. 653

TREASURY DEPARTMENT,  
Washington, August 31, 1943.

## I. OFFERING OF UNITED STATES SAVINGS BONDS OF SERIES E

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, offers for sale, to the people of the United States, United States savings bonds of Series E, currently designated war savings bonds, which may hereinafter be referred to as bonds of Series E, and their sale will continue until terminated by the Secretary of the Treasury. Bonds of a new design, without change in terms, will be provided for issue hereunder in regular course without further notice as stocks of the prior bonds of Series E become exhausted.

2. United States savings bonds of Series E include all bonds issued as defense savings bonds under this circular as originally published, and all those issued as war savings bonds under this circular as previously or as now revised. As their terms are identical, no distinction is to be made between any bonds of Series E so issued.

## II. DESCRIPTION AND TERMS OF BONDS

1. Bonds of Series E will be issued only in registered form, in denominations<sup>1</sup> of \$25, \$50, \$100, \$500, and \$1,000 (maturity values), at prices hereinafter set forth. Each bond will bear the facsimile signature of the Secretary of the Treasury, and will bear an imprint (in red) of the Seal of the Treasury. At the time of issue, on the face of each bond the issuing agent will inscribe the name and address of the owner, and the name of the coowner or beneficiary, if any, will enter the issue date (which is the first day of the month in which payment of the issue price is received by the Treasury or an authorized issuing agent), and will imprint his dating stamp (to show date the bond is actually inscribed). Bonds of Series E shall be valid only if duly inscribed and dated, as above provided, and delivered by the Treasury or an authorized issuing agent following receipt of payment therefor.

2. The bonds will, in each instance, be dated as of the first day of the month in which payment of the issue price is received by an agent authorized to issue the bonds, which date is hereinafter referred to as the issue date; the bonds will mature and be payable at face value 10 years from such issue date. The issue date is the basis for determining the redemption or maturity period of the bond, and the date appearing in the issuing agent's stamp should not be confused therewith. The bonds may not be called for redemption by the Secretary of the Treasury prior to maturity, but they may be redeemed prior to maturity, after 60 days from the issue date, at the owner's option, at fixed redemption values. No interest as such will be paid on the bonds, but they will increase in redemption value at the end of the first year from issue date, and at the end of each successive half-year period thereafter until their maturity, when the face amount becomes payable. The increment in value will be payable only upon redemption of the bonds. A table of redemption values appears on each bond. The purchase price of bonds of Series E has been fixed so as to afford an investment yield of about 2.9 percent per annum compounded semiannually if the bonds are held to maturity; if the owner exercises his option to redeem a bond prior to maturity the investment yield will be less. The table at the end of this circular shows: (1) How bonds of Series E, by denominations, increase in redemption value during the successive half-year periods following issue; (2) the approximate investment yield on the issue price from issue date to the beginning of each half-year period; and (3) the approximate investment yield on the current redemption value from the beginning of each half-year period to maturity at the end of the 10-year period.

3. Bonds of Series E will not be transferable, and will be payable only to the owner named thereon, except in case of death or disability of the owner or as other-

<sup>1</sup> Additional denomination of \$10, see supplement on p. 321.

wise specifically provided in the regulations governing savings bonds, and in any event only in accordance with said regulations. Accordingly, after they are duly issued they may not be sold, discounted, hypothecated as collateral for a loan or the performance of a service, or disposed of in any manner other than as provided in the regulations governing savings bonds, and, except as provided in said regulations, the Treasury Department will recognize only the inscribed owner, during his lifetime, and thereafter his estate or heirs.

4. **TAXATION.**—For the purpose of determining taxes and tax exemptions, the increment in value represented by the difference between the price paid for bonds of Series E (which are issued on a discount basis), and the redemption value received therefor (whether at or before maturity) shall be considered as interest, and such interest is not exempt from income or profits taxes now or hereafter imposed by the United States.<sup>2</sup> The bonds shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

### III. PURCHASE OF BONDS

1. **AGENCIES.**—Bonds of Series E may be purchased, while this offer is in effect, as follows:

(a) *Over-the-counter for cash:*

(1) At United States post offices of the first, second, and third classes, and at selected post offices of the fourth class, and generally at classified stations and branches.

(2) At such incorporated banks, trust companies, and mutual savings banks, Federal savings and loan associations, and other organizations as are duly designated and have duly qualified as issuing agents pursuant to the provisions of Treasury Department Circular No. 657, as amended and supplemented, and at the Treasury Department, Washington, D. C., and at Federal Reserve Banks and branches.

(b) *On mail order.*—Bonds of Series E may be purchased by mail upon application to the Treasurer of the United States, Washington 25, D. C., or to any Federal Reserve Bank or branch, accompanied by a remittance to cover the issue price. Any form of exchange, including personal checks, will be accepted, subject to collection. Checks, or other forms of exchange, should be drawn to the order of the Treasurer of the United States or the Federal Reserve Bank, as the case may be. Checks payable by endorsement are not acceptable.

(c) *Other agencies.*—The Secretary of the Treasury, in his discretion, may designate other agencies for the issue of, or for the handling of applications for, bonds of Series E, which shall operate under such terms and conditions as the Secretary of the Treasury may prescribe or approve.

2. **POSTAL SAVINGS.**—Subject to regulations prescribed by the Board of Trustees of the Postal Savings System, the withdrawal of postal savings deposits will be permitted for the purpose of acquiring savings bonds.

3. **UNITED STATES WAR SAVINGS STAMPS FOR INSTALLMENT PAYMENTS.**—War savings stamps, in denominations of 10, 25, and 50 cents, and \$1 and \$5, may be purchased at any post office where bonds of Series E are on sale and at such other agencies as may be designated from time to time. These stamps may be used to accumulate credits for the purchase of war savings bonds. Albums, for affixing the stamps, will be available without charge, and such albums will be receivable, in the amount of the affixed stamps, on the purchase price of war savings bonds. Defense Postal Savings stamps heretofore issued are included in the term war savings stamps and no distinction is to be made between any such stamps whether issued as defense Postal Savings stamps or as war savings stamps, and the stamps of either issue may be used interchangeably as credits for the purchase of war savings bonds.

4. **ISSUE PRICES.**—The issue prices of the various denominations of bonds of Series E follow:

Denomination <sup>1</sup> (maturity value)-----	\$25. 00	\$50. 00	\$100. 00	\$500. 00	\$1, 000. 00
Issue (purchase) price----	18. 75	37. 50	75. 00	375. 00	750. 00

<sup>1</sup> Additional denomination of \$10, see supplement on p. 321.

<sup>2</sup> For information concerning the taxable and exempt status under Federal tax laws of the interest (increment in value) on United States savings bonds issued on a discount basis (including bonds of Series E), and alternate methods of reporting such interest, see Internal Revenue Mimeograph, Coll. No. 5299, R. A. No. 1177, dated December 17, 1941. For credits on account of Victory tax, see Internal Revenue Regulation 103, secs. 19.453 and 19.454, as amended by Treasury Decision 5249.

## IV. LIMITATION ON HOLDINGS

1. The amount of bonds of Series E originally issued during any one calendar year to any one person that may be held by that person at any one time shall not exceed \$5,000 (maturity value), computed in accordance with the provisions of the regulations governing United States savings bonds. If any person at any time acquires savings bonds issued during any one calendar year in excess of the prescribed amount, the amount of such excess should immediately be surrendered for refund of the issue price.

## V. AUTHORIZED FORMS OF REGISTRATION

1. Bonds of Series E may be registered only in the names of natural persons (that is, individuals), whether adults or minors, in their own right, as follows: (1) in the name of one person; (2) in the names of two (but not more than two) persons as coowners; and (3) in the name of one person payable on death to one (but not more than one) other designated person. Registration on original issues and on authorized reissues, whether as owners, coowners, or designated beneficiaries, is restricted to residents of the United States (which for the purposes of this section shall include the territories, insular possessions, and the Canal Zone), citizens of the United States temporarily residing abroad, and to nonresident aliens employed in the United States by the Federal Government or an agency thereof: *Provided, however*, That on original issues of bonds, but not on reissues, a nonresident alien (not a citizen of an enemy nation) may be named as coowner or designated beneficiary, and *Provided further*, That a nonresident alien, whether owner, coowner, or beneficiary, succeeding to title on death of the owner, or succeeding to title upon the death of the surviving coowner or beneficiary will be entitled only to request and receive payment either at or before maturity.

2. Full information regarding authorized forms of registration and rights thereunder will be found in the regulations currently in force governing United States savings bonds.

## VI. DELIVERY AND SAFEKEEPING OF BONDS OF SERIES E

1. Postmasters and other authorized issuing agents from whom bonds of Series E may be purchased are authorized to deliver such bonds, duly inscribed and dated, upon receipt of the issue price. Bonds not delivered in person and bonds issued against mail order applications will be delivered by mail at the risk and expense of the United States, at the address given by the purchaser, but only within the United States, its territories and insular possessions and the Canal Zone.<sup>3</sup> No mail deliveries elsewhere will be made. If purchased by citizens of the United States temporarily residing abroad, bonds will be delivered at an address in the United States, or held in safekeeping, as the purchaser may direct. Personal delivery should not be accepted by any purchaser until he has verified that the correct name, or names, and address are duly inscribed, that the issue date (the first day of the month in which payment of the issue price was received by the agent) is duly entered, and that the dating stamp of the issuing agent is duly imprinted with current date—all on the face of the bond. If received by mail, the same verification should be made, and if any error in inscription or dating appears, such fact should immediately be reported to the issuing agent, and instructions requested.

2. Savings bonds of Series E will be held in safekeeping without charge by the Secretary of the Treasury if the holder so desires, and in such connection the facilities of the Federal Reserve Banks,<sup>4</sup> as fiscal agents of the United States, and those of the Treasurer of the United States, will be utilized. Arrangements may be made for such safekeeping at the time of purchase, or subsequently. Postmasters generally will assist holders in arranging for safekeeping, but will not act as safekeeping agents.

<sup>3</sup> During the war emergency the Treasury may suspend deliveries to be made at its risk and expense from or to the continental United States and its territories, insular possessions and the Canal Zone, or between any of such places. Bonds will be delivered to any address within the place in which they are issued or, if issued within the continental United States, will be held in safekeeping by the Federal Reserve Banks or the Treasury, as the purchaser may direct.

<sup>4</sup> Safekeeping facilities may be offered at some branches of Federal Reserve Banks, and in such connection an inquiry may be addressed to the branch.



## VII. PAYMENT AT MATURITY OR REDEMPTION PRIOR TO MATURITY

1. **GENERAL.**—Any bond of Series E will be paid in full at maturity, or, at the option of the owner, after 60 days from the issue date, will be redeemed in whole or in part at the appropriate redemption value prior to maturity, following presentation and surrender of the bond, with the request for payment properly executed, all in accordance with the regulations governing savings bonds.

2. **EXECUTION OF REQUEST FOR PAYMENT.**—The registered owner, or other person entitled to payment under the regulations governing savings bonds, must appear before one of the officers authorized by the Secretary of the Treasury to witness and certify requests for payment, establish his identity, and in the presence of such officer sign the request for payment, adding the address to which the check is to be mailed. After the request for payment has been so signed, the witnessing officer should complete and sign the certificate provided for his use. Unless otherwise authorized in a particular case, the form of request appearing on the back of the bond must be used.

3. **OFFICERS AUTHORIZED TO WITNESS AND CERTIFY REQUESTS FOR PAYMENT.**—The officers authorized to witness and certify requests for payment of savings bonds are fully set forth in the regulations governing savings bonds, and include but are not limited to (1) United States postmasters and certain other post office officials or designated employees; (2) officers (or designated employees) of all banks or trust companies incorporated in the United States or its organized territories, including officers at domestic branches (within the United States or its territories or insular possessions and the Canal Zone), or at foreign branches; (3) officers of corporations and other organizations which are duly qualified as issuing agents; and (4) in those cases specified in the regulations, commissioned officers of the Army, Navy, Marine Corps, and Coast Guard. All certificates must be authenticated by official seal, if there is one, or, if by an issuing agent, by an imprint of his dating stamp.

4. **PRESENTATION AND SURRENDER.**—After the request for payment has been duly executed by the person entitled and by the certifying officer, the bond must be presented and surrendered to a Federal Reserve Bank or branch, or to the Treasurer of the United States, Washington 25, D. C., at the expense and risk of the owner. For the owner's protection, the bond should be forwarded by registered mail, if not presented in person.

5. **DISABILITY OR DEATH.**—In case of the disability of the registered owner, or the death of the registered owner not survived by a coowner or a designated beneficiary, instructions should be obtained from a Federal Reserve Bank or branch, or the Treasury Department, Division of Loans and Currency, Merchandise Mart, Chicago 54, Illinois, before the request for payment is executed.

6. **METHOD OF PAYMENT.**—The only agencies authorized to pay or redeem savings bonds of Series E are the Treasurer of the United States and the Federal Reserve Banks and branches. Postmasters are not authorized to make payment, but generally they will assist owners in securing payment, at or before maturity. Payment in all cases will be made by check drawn to the order of the registered owner or other person entitled to payment, and mailed to the address given in the request for payment.

7. **PARTIAL REDEMPTION.**—Partial redemption at current redemption value of a savings bond of Series E of a denomination higher than \$25 (maturity value) is permitted, but must accord to an authorized lower denomination. In case of partial redemption the remainder will be reissued in authorized denominations bearing the same issue date as the bond surrendered.

## VIII. SERIES DESIGNATION

1. United States savings bonds of Series E, issued during the calendar year 1943 are designated Series E-1943, and those which may be issued in subsequent calendar years will be similarly designated by the series letter E followed by the year of issue.

## IX. LOST, STOLEN, OR DESTROYED BONDS

1. If a bond of Series E is lost, stolen, or destroyed, a duplicate may be issued on the owner furnishing a description of the bond and establishing its loss, theft, or destruction.

2. In any case of the loss, theft, or destruction of a bond of Series E, the owner should give immediate notice to the Treasury Department, Division of Loans and Currency, Merchandise Mart, Chicago 54, Illinois, briefly stating the facts and giving a description of the bond. On receipt of such notice, full instructions for procedure will be given the owner.

3. A descriptive record of each bond of Series E held should be kept by the owner, apart from the bonds, so that a full description of the bonds will be available if they are lost, stolen, or destroyed. The record for each bond should show: (1) the denomination; (2) the serial number (with its prefix and suffix letter); (3) the inscription (name or names, and address, on the face of the bond); and (4) the issue date (month and year of issue).

## X. GENERAL PROVISIONS

1. All bonds of Series E, issued pursuant to this circular, shall be subject to the regulations prescribed from time to time by the Secretary of the Treasury to govern United States savings bonds. Such regulations may require, among other things, reasonable notice in case of presentation of bonds of Series E for redemption prior to maturity. The present regulations governing savings bonds are set forth in Treasury Department Circular No. 530, Fifth Revision, as amended, copies of which may be obtained on application to the Treasury Department, or to any Federal Reserve Bank or branch.

2. The Secretary of the Treasury reserves the right to reject any application for bonds of Series E, in whole or in part, and to refuse to issue or permit to be issued hereunder any such bonds in any case or any class or classes of cases if he deems such action to be in the public interest, and his action in any such respect shall be final.

3. Postmasters in charge of post offices where bonds of Series E are on sale, under regulations promulgated by the Postmaster General, and Federal Reserve Banks and branches, as fiscal agents of the United States, are authorized to perform such fiscal agency services as may be requested of them by the Secretary of the Treasury in connection with the issue, delivery, safekeeping, redemption, and payment of bonds of Series E. Issuing agencies qualified pursuant to Treasury Department Circular No. 657, as amended or supplemented, will be subject to the provisions of that circular.

4. The Secretary of the Treasury may at any time or from time to time supplement or amend the terms of this circular, or of any amendments or supplements thereto, information as to which will be promptly furnished to the Postmaster General and the Federal Reserve Banks and branches.

HENRY MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

## UNITED STATES SAVINGS BONDS—SERIES E

Table of redemption values and investment yields <sup>1</sup>

Table showing (1) How bonds of Series E, by denominations, increase in redemption value during successive half-year periods following issue; (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period; and (3) the approximate investment yield on the current redemption value from the beginning of each half-year period to maturity. Yields are expressed in terms of rate percent per annum, compounded semiannually.

Maturity value.....	\$25.00	\$50.00	\$100.00	\$500.00	\$1,000.00	(2) Approximate investment yield on pur- chase price from issue date to be- ginning of each half- year period	(3) Approximate investment yield on cur- rent redemp- tion value from begin- ning of each half-year period to maturity
Issue price.....	18.75	37.50	75.00	375.00	750.00		
Period after issue date	(1) Redemption values during each half-year period						
						Percent	Percent
First ½ year.....	\$18.75	\$37.50	\$75.00	\$375.00	\$750.00	0.00	<sup>2</sup> 2.90
½ to 1 year.....	18.75	37.50	75.00	375.00	750.00	.00	3.05
1 to 1½ years.....	18.87	37.75	75.50	377.50	755.00	.67	3.15
1½ to 2 years.....	19.00	38.00	76.00	380.00	760.00	.88	3.25
2 to 2½ years.....	19.12	38.25	76.50	382.50	765.00	.99	3.38
2½ to 3 years.....	19.25	38.50	77.00	385.00	770.00	1.06	3.52
3 to 3½ years.....	19.50	39.00	78.00	390.00	780.00	1.31	3.58
3½ to 4 years.....	19.75	39.50	79.00	395.00	790.00	1.49	3.66
4 to 4½ years.....	20.00	40.00	80.00	400.00	800.00	1.62	3.75
4½ to 5 years.....	20.25	40.50	81.00	405.00	810.00	1.72	3.87
5 to 5½ years.....	20.50	41.00	82.00	410.00	820.00	1.79	4.01
5½ to 6 years.....	20.75	41.50	83.00	415.00	830.00	1.85	4.18
6 to 6½ years.....	21.00	42.00	84.00	420.00	840.00	1.90	4.41
6½ to 7 years.....	21.50	43.00	86.00	430.00	860.00	2.12	4.36
7 to 7½ years.....	22.00	44.00	88.00	440.00	880.00	2.30	4.31
7½ to 8 years.....	22.50	45.00	90.00	450.00	900.00	2.45	4.26
8 to 8½ years.....	23.00	46.00	92.00	460.00	920.00	2.57	4.21
8½ to 9 years.....	23.50	47.00	94.00	470.00	940.00	2.67	4.17
9 to 9½ years.....	24.00	48.00	96.00	480.00	960.00	2.76	4.12
9½ to 10 years.....	24.50	49.00	98.00	490.00	980.00	2.84	4.08
Maturity value (10 years from issue date).....	25.00	50.00	100.00	500.00	1,000.00	2.90	-----

<sup>1</sup> Additional denomination of \$10, see supplement following.

<sup>2</sup> Approximate investment yield for entire period from issuance to maturity.

## FIRST SUPPLEMENT, JUNE 7, 1944, TO DEPARTMENT CIRCULAR NO. 653

TREASURY DEPARTMENT,  
Washington, June 7, 1944.

Department Circular No. 653, Second Revision, dated August 31, 1943, fixing the terms and governing the issue of United States savings bonds of Series E, currently designated war savings bonds, is hereby supplemented, as follows:

1. An additional denomination of \$10 (maturity value) is hereby authorized, the issue price of which will be \$7.50: *Provided*, the bonds of this denomination may be purchased only by persons in the military and naval forces of the United States, under such conditions as may be prescribed and through such agencies as may be provided within their respective establishments by the Secretary of War and the Secretary of the Navy, and *Provided further*, that on original issue the bonds of this denomination shall be registered only in the name of any such person either alone or with any other person added as coowner or designated beneficiary as provided by regulation.

2. The bonds of this denomination may not be obtained on partial redemption of bonds of a higher denomination; and except for restrictions on purchase and issue, the terms of bonds in the denomination of \$10 now authorized and the conditions of their issue and provisions for their redemption shall conform to those of bonds of Series E of other denominations authorized by said Circular No. 653, Second Revision.

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

*Table of redemption values showing how bonds of Series E in the denomination of \$10 (maturity value) increase in redemption value during successive half-year periods following issue:*

Issue price, \$7.50

Period after issue date:	Redemption value during period	Period after issue date:	Redemption value during period
First ½ year.....	\$7.50	5 to 5½ years.....	\$8.20
½ to 1 year.....	7.50	5½ to 6 years.....	8.30
1 to 1½ years.....	7.55	6 to 6½ years.....	8.40
1½ to 2 years.....	7.60	6½ to 7 years.....	8.60
2 to 2½ years.....	7.65	7 to 7½ years.....	8.80
2½ to 3 years.....	7.70	7½ to 8 years.....	9.00
3 to 3½ years.....	7.80	8 to 8½ years.....	9.20
3½ to 4 years.....	7.90	8½ to 9 years.....	9.40
4 to 4½ years.....	8.00	9 to 9½ years.....	9.60
4½ to 5 years.....	8.10	9½ to 10 years.....	9.80

At maturity (10 years from issue date), \$10

### Exhibit 27

*Second Revision and amendment, Department Circular No. 654, relative to United States savings bonds of Series F and Series G*

SECOND REVISION, JANUARY 1, 1944, TO DEPARTMENT CIRCULAR NO. 654

TREASURY DEPARTMENT,  
Washington, January 1, 1944.

#### I. OFFERING OF UNITED STATES SAVINGS BONDS OF SERIES F AND SERIES G

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, offers for sale, to the people of the United States, through the Federal Reserve Banks, United States savings bonds of Series F and Series G, which may hereinafter be referred to as bonds of Series F and Series G. Bonds of a new design, without change in terms, will be provided for issue hereunder in regular course without further notice as stocks of the prior bonds of Series F and Series G become exhausted. The sale of bonds of Series F and Series G will continue until terminated by the Secretary of the Treasury.

2. United States savings bonds of Series F and Series G include bonds of any designation issued under this circular as originally published and amended, and those issued under this circular as previously or as now revised. As their terms are identical, no distinction is to be made between any bonds of Series F or Series G so issued.

#### II. DESCRIPTION AND TERMS OF BONDS

1. Bonds of Series F and Series G will be issued only in registered form, in denominations of \$25 (for Series F only), \$100, \$500, \$1,000, \$5,000, and \$10,000 (maturity values), at prices hereinafter set forth. Each bond will bear the facsimile signature of the Secretary of the Treasury, and will bear an imprint in color (brown for Series F and blue for Series G) of the Seal of the Treasury. At the time of issue, on the face of each bond, the issuing agent will inscribe the name and address of the owner and the name of the coowner or beneficiary, if any, will enter the issue date (which is the first day of the month in which payment of the issue price is received by the Treasury or an authorized issuing agent), and will imprint his dating stamp (to show the date the bond is actually inscribed). Bonds of Series F and G shall be valid only if duly inscribed and dated, as above provided, and delivered by an authorized agent following receipt of payment therefor.

2. The bonds of each series will, in each instance, be dated as of the first day of the month in which payment of the issue price is received by an agent authorized to issue the bonds, which date is herein referred to as the issue date; the bonds will mature and be payable at face value 12 years from such issue date. The issue date is the basis for determining the redemption or maturity period of the bond, and the date appearing in the issuing agent's stamp should not be confused therewith. The bonds of either series may not be called for redemption

by the Secretary of the Treasury prior to maturity, but they may be redeemed prior to maturity, after 6 months from the issue date, at the owner's option, at fixed redemption values.

3. *Bonds of Series F* will be issued on a discount basis at 74 percent of their maturity value. No interest as such will be paid on the bonds, but they will increase in redemption value at the end of the first year from issue date, and at the end of each successive half-year period thereafter until their maturity, when the face amount becomes payable. The increment in value will be payable only upon redemption of the bonds. A table of redemption values appear on each bond. The purchase price of bonds of Series F has been fixed so as to afford an investment yield of about 2.53 percent per annum compounded semiannually if the bonds are held to maturity; if the owner exercises his option to redeem a bond prior to maturity the investment yield will be less.

4. *Bonds of Series G* will be issued at par, and will bear interest at the rate of 2½ percent per annum, payable semiannually from issue date. Interest will be paid by check drawn to the order of the registered owner. Interest will cease at maturity, or, in case of redemption before maturity, at the end of the interest period next preceding the date of redemption. A table of redemption values appears on each bond, and the difference between the face amount of the bond and the redemption value fixed for any period represents an adjustment (or refund) of interest. Accordingly, if the owner exercises his option to redeem a bond prior to maturity, the investment yield will be less than the interest rate on the bond. Bonds of Series G may be redeemed at par, in whole or in part, (1) upon the death of the owner, or a coowner, if a natural person, or (2) as to bonds held by a trustee or other fiduciary, upon the death of any person which results in termination of the trust. If the trust is terminated only in part, redemption at par will be made only to the extent of the pro rata portion of the trust so terminated, to the next lower multiple of \$100. In any case request for redemption at par must be received by the Treasury Department, Division of Loans and Currency, Merchandise Mart, Chicago 54, Ill., or by a Federal Reserve Bank or branch within 4 months after the date of death and in accordance with the regulations governing savings bonds.

5. Tables at the end of this circular show separately for bonds of Series F and those of Series G: (1) The redemption values, by denominations, during the successive half-year periods following issue, (2) the approximate investment yield on the issue price from issue date to the beginning of each half-year period, and (3) the approximate investment yield on the current redemption value from the beginning of each half-year period to maturity at the end of the 12-year period.

6. Bonds of Series F and Series G will not be transferable, and will be payable only to the owner named thereon, except in case of death or disability of the owner or as otherwise specifically provided in the regulations governing savings bonds, and in any event only in accordance with said regulations. Accordingly they may not be sold, discounted, hypothecated as collateral for a loan or the performance of a service, or disposed of in any manner other than as provided in the regulations governing savings bonds, and, except as provided in said regulations, the Treasury Department will recognize only the inscribed owner, during his lifetime and competency, and thereafter his estate or heirs.

7. *Taxation.*—For the purpose of determining taxes and tax exemptions, the increment in value represented by the difference between the price paid for bonds of Series F (which are issued on a discount basis), and the redemption value received therefor (whether at or before maturity) shall be considered as interest, and that interest and interest on bonds of Series G, are not exempt from income or profits taxes now or hereafter imposed by the United States.<sup>1</sup> The bonds shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

### III. PURCHASE OF BONDS

1. *Agencies.*—Bonds of Series F and Series G may be purchased, while this offer is in effect, upon application to any Federal Reserve Bank or branch, or to the Treasurer of the United States, Washington 25, D. C. Sales agencies, duly qualified under the provisions of Treasury Department Circular No. 657, as amended

<sup>1</sup> For information concerning the taxable and exempt status under Federal tax laws of the interest (increment in value) on United States savings bonds issued on a discount basis (including bonds of Series F), and alternate methods of reporting such interest, see Internal Revenue Mimeograph, Coll. No. 5299, R. A. No. 1177, dated December 17, 1941. For credits on account of Victory tax, see Internal Revenue Regulations 103, secs. 19.453 and 19.454, as amended by Treasury Decision 5249.

and supplemented, and banking institutions generally, may submit applications for account of customers, but only the Federal Reserve Banks and branches and the Treasury Department are authorized to act as official agencies, and the receipt of application and payment at an official agency will govern the dating of the bonds issued.

2. *Payment for bonds.*—Every application must be accompanied by payment in full of the issue price. Any form of exchange, including personal checks, will be accepted, subject to collection. Checks, or other forms of exchange, should be drawn to the order of the Federal Reserve Bank or the Treasurer of the United States, as the case may be. Checks payable by endorsement are not acceptable. Any depository qualified pursuant to the provisions of Treasury Department Circular No. 92 (Revised) will be permitted to make payment by credit for bonds applied for on behalf of its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

3. *Postal savings.*—Subject to regulations prescribed by the Board of Trustees of the Postal Savings System, the withdrawal of postal savings deposits will be permitted for the purpose of acquiring savings bonds.

4. *Form of application.*—In applying for bonds under this circular, care should be exercised to specify whether those of Series F or Series G are desired, and there must be furnished: (1) Instructions for registration of the bonds to be issued, which must be in one of the authorized forms (see sec. V); (2) the post office address of the owner; (3) address for delivery of the bonds; and (4), in case of bonds of Series G, address for mailing interest checks. The use of an official application form is desirable, but not necessary. The application should be forwarded to the Federal Reserve Bank, or branch, of the district, or to the Treasurer of the United States, accompanied by remittance to cover the purchase price (\$74 for each \$100 face amount of bonds of Series F, or \$100 for each \$100 face amount of bonds of Series G).

5. *Issue prices.*—The issue prices of the various denominations of bonds of Series F and Series G follow:

SERIES F						
Denomination (maturity value).....	\$25.00	\$100	\$500	\$1,000	\$5,000	\$10,000
Issue (purchase) price.....	18.50	74	370	740	3,700	7,400
SERIES G						
Denomination (maturity value).....	\$100	\$500	\$1,000	\$5,000	\$10,000	
Issue (purchase) price.....	100	500	1,000	5,000	10,000	

#### IV. LIMITATION ON HOLDINGS

1. The amount of United States savings bonds of Series F, or of Series G, or the combined aggregate amount of both series, originally issued during any one calendar year to any one person, including those registered in the name of that person alone, and those registered in the name of that person with another named as co-owner, that may be held by that person at any one time shall not exceed \$100,000 (issue price): *Provided, however,* That as to bonds of these series originally issued on or after January 1, 1944, the amount held by a commercial bank having savings deposits as defined in Regulation Q of the Board of Governors of the Federal Reserve System shall not in any case exceed \$100,000 (issue price) or 10 percent of such savings deposits as shown on the bank's books as of the date of the most recent call statement required by the supervising authorities prior to the date of acquisition of such savings bonds, whichever is less; and *Provided further,* That the amount of savings bonds of Series F and Series G originally issued on or after January 1, 1944, held by a commercial bank together with 2½ percent Treasury bonds of 1965–70, to be issued under Treasury Department Circular No. 729, and 2¼ percent Treasury bonds of 1956–59, to be issued under Treasury Department Circular No. 730, shall not exceed in the aggregate \$200,000 or 10 percent of the savings deposits of such bank as above defined, whichever is less.<sup>2</sup>

2. Any bonds acquired on original issue which create an excess must immediately be surrendered for refund of the issue price, as provided in the regulations governing savings bonds.

#### V. AUTHORIZED FORMS OF REGISTRATION

1. United States savings bonds of Series F and Series G may be registered only in one of the following forms:

<sup>2</sup> Amended June 12, 1944, see p. 329.

(1) In the names of natural persons (that is, individuals), whether adults or minors, in their own right, as follows: (a) In the name of one person; (b) in the names of two (but not more than two) persons as coowners; and (c) in the name of one person payable on death to one (but not more than one) other designated person.

(2) In the name of an incorporated or unincorporated body, in its own right, except that they may not be registered in the names of commercial banks which are defined for this purpose as those accepting demand deposits: *Provided, however*, That bonds originally issued on or after January 1, 1944, may be registered in the name of a commercial bank having savings deposits to the extent and under the conditions set forth in section IV hereof.<sup>2</sup>

(3) In the name of a fiduciary (except where the fiduciary would hold the bonds merely or principally as security for the performance of a duty or obligation).

(4) In the name of the owner or custodian of public funds.

2. *Restrictions.*—Registration on original issues and authorized reissues, whether as owners, coowners, or designated beneficiaries, is restricted to residents (whether individuals or others) of the United States (which for the purposes of this section shall include the territories, insular possessions and the Canal Zone), citizens of the United States temporarily residing abroad, and to nonresident aliens employed in the United States by the Federal Government or an agency thereof: *Provided, however*, That on original issues but not on reissues, a nonresident alien (not a citizen of an enemy nation) may be named as coowner or designated beneficiary; and *Provided further*, That a nonresident alien, whether owner, coowner or beneficiary, succeeding to title on death of the owner, or succeeding to title upon the death of the surviving coowner or beneficiary will be entitled only to request and receive payment either at or before maturity and will not be entitled to reissue.

3. Full information regarding authorized forms of registration will be found in the regulations currently in force governing United States savings bonds.

#### VI. DELIVERY AND SAFEKEEPING OF BONDS

1. Federal Reserve Banks and branches and the Treasurer of the United States are authorized to deliver bonds of Series F and Series G, duly inscribed and dated, upon receipt of the issue price. Bonds not delivered in person will be delivered by mail at the risk and expense of the United States, at the address given by the purchaser, but only within the United States, its territories and insular possessions and the Canal Zone.<sup>3</sup> No mail deliveries elsewhere will be made. If purchased by citizens of the United States temporarily residing abroad, bonds will be delivered at an address in the United States, or held in safekeeping, as the purchaser may direct. Personal delivery should not be accepted by any purchaser until he has verified that the correct name, or names, and address are duly inscribed, that the issue date (the first day of the month in which payment of the issue price was received by the agent) is duly entered, and that the dating stamp of the issuing agent is duly imprinted with current date—all on the face of the bond. If received by mail, the same verification should be made, and if any error in inscription or dating appears, such fact should immediately be reported to the issuing agent, and instructions requested.

2. Savings bonds of Series F and Series G will be held in safekeeping without charge by the Secretary of the Treasury if the holder so desires, and in such connection the facilities of the Federal Reserve Banks,<sup>4</sup> as fiscal agents of the United States, and those of the Treasurer of the United States, will be utilized. Arrangements may be made for such safekeeping at the time of purchase, or subsequently.

#### VII. PAYMENT AT MATURITY OR REDEMPTION PRIOR TO MATURITY

1. *General.*—Any savings bond of Series F or Series G will be paid in full at maturity, or, at the option of the owner, after 6 months from the issue date, will be redeemed in whole or in part at the appropriate redemption value prior to maturity, on the first day of any calendar month, on 1 month's notice in writing, following presentation and surrender of the bond, with the request for payment properly executed, all in accordance with the regulations governing savings bonds.

2. *Notice of redemption.*—When a savings bond of Series F or Series G is to be redeemed prior to maturity, a notice in writing of the owner's intention must be given to and be received by a Federal Reserve Bank or branch, or the Treasury

<sup>2</sup> Amended June 12, 1944, see p. 329.

<sup>3</sup> During the war emergency the Treasury may suspend deliveries to be made at its risk and expense from or to the continental United States and its territories, insular possessions and the Canal Zone, or between any of such places.

<sup>4</sup> Safekeeping facilities may be offered at some branches of Federal Reserve Banks, and in such connection an inquiry may be addressed to the branch.

Department, Division of Loans and Currency, Merchandise Mart, Chicago 54, Ill., not less than 1 calendar month in advance. A duly executed request for payment will be accepted as constituting the required notice.

3. *Execution of request for payment.*—The registered owner, or other person entitled to payment under the regulations governing savings bonds, must appear before one of the officers authorized by the Secretary of the Treasury to witness and certify requests for payment, establish his identity, and in the presence of such officer sign the request for payment, adding the address to which the check is to be mailed. After the request for payment has been so signed, the witnessing officer should complete and sign the certificate provided for his use. Unless otherwise authorized in a particular case, the form of request appearing on the back of the bond must be used.

4. *Officers authorized to witness and certify requests for payment.*—The officers authorized to witness and certify requests for payment of savings bonds are fully set forth in the regulations governing savings bonds, and include but are not limited to (1) United States postmasters and certain other post office officials or designated employees; and (2) officers (or designated employees) of all banks or trust companies incorporated in the United States or its organized territories, including officers at domestic branches (within the United States or its territories or insular possessions and the Canal Zone), or at foreign branches. All certificates should be authenticated by official seal, if there is one, or by an imprint of an issuing agent's dating stamp.

5. *Presentation and surrender.*—After the request for payment has been duly executed by the person entitled and by the certifying officer, the bond must be presented and surrendered to a Federal Reserve Bank or branch, or to the Treasury Department, Division of Loans and Currency, Merchandise Mart, Chicago 54, Ill., at the expense and risk of the owner. For the owner's protection, the bond should be forwarded by registered mail, if not presented in person.

6. *Disability or death.*—In case of the disability of the registered owner, or the death of the registered owner not survived by a coowner or a designated beneficiary, instructions should be obtained from a Federal Reserve Bank or branch, or the Treasury Department, Division of Loans and Currency, Merchandise Mart, Chicago 54, Ill., before the request for payment is executed.

7. *Method of payment.*—The only agencies authorized to pay or redeem savings bonds are the Federal Reserve Banks and branches, and the Treasurer of the United States. Payment in all cases will be made by check drawn to the order of the registered owner or other person entitled to payment, and mailed to the address given in the request for payment.

8. *Partial redemption.*—Partial redemption at current redemption value of a bond of Series F, of a denomination higher than \$25 (maturity value), or of a bond of Series G, of a denomination higher than \$100, is permitted, but must correspond to an authorized denomination. In case of partial redemption the remainder will be reissued in authorized denominations bearing the same issue date as the bond surrendered.

#### VIII. SERIES DESIGNATION

1. Bonds of Series F, issued during the calendar year 1944 are designated Series F-1944, and those of Series G are similarly designated Series G-1944, and those of either series which may be issued in subsequent calendar years will be similarly designated by the series letter, F or G, followed by the year of issue.

#### IX. LOST, STOLEN, OR DESTROYED BONDS

1. If a bond of Series F or Series G is lost, stolen, or destroyed, a duplicate may be issued on the owner furnishing a description of the bond and establishing its loss, theft, or destruction.

2. In any case of the loss, theft, or destruction of a bond of Series F or Series G, the owner should give immediate notice to the Treasury Department, Division of Loans and Currency, Merchandise Mart, Chicago 54, Ill., briefly stating the facts and giving a description of the bond. On receipt of such notice, full instructions for procedure will be given the owner.

3. A descriptive record of each bond of Series F or Series G held should be kept by the owner, apart from the bonds, so that a full description of the bonds will be available if they are lost, stolen, or destroyed. The record for each bond should show: (1) the denomination; (2) the serial number (with its prefix and suffix letters); (3) the inscription (name or names, and address, on the face of the bond); and (4) the issue date (month and year of issue).



## X. GENERAL PROVISIONS

1. All bonds of Series F and Series G, issued pursuant to this circular, shall be subject to the regulations prescribed from time to time by the Secretary of the Treasury to govern United States savings bonds. The present regulations governing savings bonds are set forth in Treasury Department Circular No. 530, Fifth Revision, as amended, copies of which may be obtained on application to the Treasury Department or to any Federal Reserve Bank or branch.

2. The Secretary of the Treasury reserves the right to reject any application for savings bonds of either Series F or Series G, in whole or in part, and to refuse to issue or permit to be issued hereunder any such savings bonds in any case or any class or classes of cases if he deems such action to be in the public interest, and his action in any such respect shall be final.

3. Federal Reserve Banks and branches, as fiscal agents of the United States, are authorized to perform such services as may be requested of them by the Secretary of the Treasury in connection with the issue, delivery, safekeeping, redemption, and payment of savings bonds of Series F and Series G.

4. The Secretary of the Treasury may at any time or from time to time supplement or amend the terms of this circular, or of any amendments or supplements thereto, information as to which will be promptly furnished the Federal Reserve Banks and branches.

HENRY MOPGENTHAU, Jr.,  
Secretary of the Treasury.

## UNITED STATES SAVINGS BONDS—SERIES F

## Table of redemption values and investment yields

Table showing: (1) How United States savings bonds of Series F, by denominations, increase in redemption value during successive half-year periods following issue; (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period; and (3) the approximate investment yield on the current redemption value from the beginning of each half-year period to maturity. Yields are expressed in terms of rate percent per annum, compounded semi-annually.

Maturity value.....	\$25.00	\$100.00	\$500.00	\$1,000	\$5,000	\$10,000	(2) Approximate investment yield on purchase price from issue date to beginning of each half-year period	(3) Approximate investment yield on current redemption value from beginning of each half-year period to maturity
Issue price.....	18.50	74.00	370.00	740	3,700	7,400		
Period after issue date	(1) Redemption values during each half-year period							
First ½ year.....	Not redeemable						Percent	Percent
½ to 1 year.....	\$18.50	\$74.00	\$370.00	\$740	\$3,700	\$7,400	0.00	12.53
1 to 1½ years.....	18.55	74.20	371.00	742	3,710	7,420	.27	2.64
1½ to 2 years.....	18.62	74.50	372.50	745	3,725	7,450	.45	2.73
2 to 2½ years.....	18.72	74.90	374.50	749	3,745	7,490	.61	2.82
2½ to 3 years.....	18.85	75.40	377.00	754	3,770	7,540	.75	2.91
3 to 3½ years.....	19.00	76.00	380.00	760	3,800	7,600	.89	2.99
3½ to 4 years.....	19.17	76.70	383.50	767	3,835	7,670	1.03	3.07
4 to 4½ years.....	19.40	77.60	388.00	776	3,880	7,760	1.19	3.15
4½ to 5 years.....	19.65	78.60	393.00	786	3,930	7,860	1.34	3.20
5 to 5½ years.....	19.92	79.70	398.50	797	3,985	7,970	1.49	3.24
5½ to 6 years.....	20.22	80.90	404.50	809	4,045	8,090	1.63	3.27
6 to 6½ years.....	20.55	82.20	411.00	822	4,110	8,220	1.76	3.29
6½ to 7 years.....	20.87	83.50	417.50	835	4,175	8,350	1.87	3.31
7 to 7½ years.....	21.20	84.80	424.00	848	4,240	8,480	1.96	3.32
7½ to 8 years.....	21.52	86.10	430.50	861	4,305	8,610	2.03	3.35
8 to 8½ years.....	21.85	87.40	437.00	874	4,370	8,740	2.09	3.40
8½ to 9 years.....	22.17	88.70	443.50	887	4,435	8,870	2.14	3.46
9 to 9½ years.....	22.50	90.00	450.00	900	4,500	9,000	2.19	3.48
9½ to 10 years.....	22.85	91.40	457.00	914	4,570	9,140	2.24	3.51
10 to 10½ years.....	23.22	92.90	464.50	929	4,645	9,290	2.29	3.53
10½ to 11 years.....	23.62	94.50	472.50	945	4,725	9,450	2.34	3.72
11 to 11½ years.....	24.05	96.20	481.00	962	4,810	9,620	2.40	3.81
11½ to 12 years.....	24.50	98.00	490.00	980	4,900	9,800	2.46	3.91
Maturity value (12 years from issue date).....	25.00	100.00	500.00	1,000	5,000	10,000	2.53	4.08

<sup>1</sup> Approximate investment yield for entire period from issuance to maturity.

## UNITED STATES SAVINGS BONDS—SERIES G

Table of redemption values and investment yields

Table showing: (1) How United States savings bonds of Series G (paying a current return at the rate of  $2\frac{1}{2}$  percent per annum on the purchase price, payable semi-annually) change in redemption value, by denominations, during successive half-year periods following issue; (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period; and (3) the approximate investment yield on the current redemption value from the beginning of each half-year period to maturity. Yields are expressed in terms of rate percent per annum, compounded semiannually, and take into account the current return.

Maturity value..... Issue price.....	\$100.00 100.00	\$500.00 500.00	\$1,000 1,000	\$5,000 5,000	\$10,000 10,000	(2) Approximate investment yield on purchase price from issue date to beginning of each half-year period	(3) Approximate investment yield on current redemption value from beginning of each half-year period to maturity
Period after issue date	(1) Redemption values during each half-year period						
						Percent	Percent
First $\frac{1}{2}$ year.....	Not redeemable						12.50
$\frac{1}{2}$ to 1 year.....	\$98.80	\$494.00	\$988	\$4,940	\$9,880	0.10	2.62
1 to $1\frac{1}{2}$ years.....	97.80	489.00	978	4,890	9,780	.30	2.73
$1\frac{1}{2}$ to 2 years.....	96.90	484.50	969	4,845	9,690	.44	2.84
2 to $2\frac{1}{2}$ years.....	96.20	481.00	962	4,810	9,620	.61	2.94
$2\frac{1}{2}$ to 3 years.....	95.60	478.00	956	4,780	9,560	.75	3.04
3 to $3\frac{1}{2}$ years.....	95.10	475.50	951	4,755	9,510	.88	3.13
$3\frac{1}{2}$ to 4 years.....	94.80	474.00	948	4,740	9,480	1.04	3.20
4 to $4\frac{1}{2}$ years.....	94.70	473.50	947	4,735	9,470	1.20	3.26
$4\frac{1}{2}$ to 5 years.....	94.70	473.50	947	4,735	9,470	1.35	3.30
5 to $5\frac{1}{2}$ years.....	94.90	474.50	949	4,745	9,490	1.51	3.32
$5\frac{1}{2}$ to 6 years.....	95.20	476.00	952	4,760	9,520	1.66	3.33
6 to $6\frac{1}{2}$ years.....	95.50	477.50	955	4,775	9,550	1.79	3.33
$6\frac{1}{2}$ to 7 years.....	95.80	479.00	958	4,790	9,580	1.89	3.34
7 to $7\frac{1}{2}$ years.....	96.10	480.50	961	4,805	9,610	1.98	3.35
$7\frac{1}{2}$ to 8 years.....	96.40	482.00	964	4,820	9,640	2.05	3.37
8 to $8\frac{1}{2}$ years.....	96.70	483.50	967	4,835	9,670	2.12	3.39
$8\frac{1}{2}$ to 9 years.....	97.00	485.00	970	4,850	9,700	2.18	3.42
9 to $9\frac{1}{2}$ years.....	97.30	486.50	973	4,865	9,730	2.23	3.46
$9\frac{1}{2}$ to 10 years.....	97.60	488.00	976	4,880	9,760	2.27	3.51
10 to $10\frac{1}{2}$ years.....	97.90	489.50	979	4,895	9,790	2.31	3.60
$10\frac{1}{2}$ to 11 years.....	98.20	491.00	982	4,910	9,820	2.35	3.75
11 to $11\frac{1}{2}$ years.....	98.60	493.00	986	4,930	9,860	2.39	3.94
$11\frac{1}{2}$ to 12 years.....	99.20	496.00	992	4,960	9,920	2.44	4.13
Maturity value (12 years from issue date).....	100.00	500.00	1,000	5,000	10,000	2.50	-----

<sup>1</sup> Approximate investment yield for entire period from issuance to maturity.

## OTHER SERIES

United States savings bonds of Series E are also offered for sale concurrently with those of Series F and Series G. They are intended primarily for the investment of small or moderate amounts saved from current income by individuals, and their issue is restricted to individuals in their own right, with the amount originally issued to any one person during any one calendar year that that person may hold limited to \$5,000 (maturity value). Full particulars regarding savings bonds of Series E are set forth in Treasury Department Circular No. 653, Second Revision,<sup>5</sup> dated August 31, 1943, copies of which may be obtained from the Treasury Department, Washington, or from any Federal Reserve Bank or branch.

<sup>5</sup> Department Circular No. 653, Second Revision, appears on p. 316.

## FIRST AMENDMENT, JUNE 12, 1944, TO DEPARTMENT CIRCULAR NO. 654, SECOND REVISION

TREASURY DEPARTMENT,  
Washington, June 12, 1944.

Section IV, paragraph 1, and section V, paragraph 1 (2), of Department Circular No. 654, Second Revision, dated January 1, 1944, are hereby amended to read as follows:

## IV. LIMITATION ON HOLDINGS

1. The amount of United States savings bonds of Series F, or of Series G, or the combined aggregate amount of both series, originally issued during any one calendar year to any one person, including those registered in the name of that person alone, and those registered in the name of that person with another named as coowner, that may be held by that person at any one time shall not exceed \$100,000 (issue price): *Provided, however*, That as to bonds of these series originally issued on or after January 1, 1944, the amount held by a commercial bank holding savings deposits or issuing time certificates of deposit (as each is defined in Regulation Q of the Board of Governors of the Federal Reserve System) shall not in any case exceed \$100,000 (issue price) or 20 percent of the combined amount of such time certificates of deposit (but only those issued in the names of individuals and of corporations, associations, and other organizations not operated for profit) and savings deposits as shown on the bank's books as of the date of the most recent call statement required by the supervising authorities prior to the date of subscription for such savings bonds, whichever is less; and *Provided further*, That the amount of savings bonds of Series F and Series G, issued on or after January 1, 1944, held by a commercial bank, together with 2½ percent Treasury bonds of 1965-70 subscribed for under Department Circulars Nos. 729 and 740, 2¼ percent Treasury bonds of 1956-59, subscribed for under Department Circular No. 730, and 2 percent Treasury bonds of 1952-54, subscribed for under Treasury Department Circular No. 741, shall not exceed in the aggregate 20 percent of the combined amount of such savings deposits and time certificates of deposits of such bank or \$400,000, whichever is less. No such bank shall hold more than \$100,000 (issue price) of Series F and Series G savings bonds (Series 1944) combined.

## V. AUTHORIZED FORMS OF REGISTRATION

1. United States savings bonds of Series F and Series G may be registered only in one of the following forms:

(2) In the name of an incorporated or unincorporated body, in its own right, except that they may not be registered in the names of commercial banks which are defined for this purpose as those accepting demand deposits: *Provided, however*, That bonds originally issued on or after January 1, 1944, may be registered in the name of a commercial bank holding savings deposits or issuing time certificates of deposit to the extent and conditions set forth in section IV hereof.

D. W. BELL,  
*Acting Secretary of the Treasury.*

## Exhibit 28

*Amendments to Department Circular No. 530, Fifth Revision, prescribing regulations governing United States savings bonds*

SECOND AMENDMENT, JUNE 17, 1943 (INCLUDES FIRST AMENDMENT, NOV. 23, 1942) TO DEPARTMENT CIRCULAR NO. 530, FIFTH REVISION

TREASURY DEPARTMENT,  
Washington, June 17, 1943.

NOTE.—This is a cumulative amendment to Department Circular No. 530, Fifth Revision. It includes all amendments now or heretofore made to that revision. Section 315.10, as amended by the First Amendment, which is now in force unchanged, is printed herein in order that this cumulative amendment may be complete.

*To Owners of United States Savings Bonds, and Others Concerned:*

Sections 315.2, 315.3, 315.20 (b), 315.25, 315.26, 315.27, 315.32, 315.36, 315.37, 315.52, and 315.65 of Department Circular No. 530, Fifth Revision, dated June 1, 1942 (7 F. R. 5158), are hereby revised to read as hereinafter set forth; sections

315.29 and 315.35 of said circular, as amended by the First Amendment dated November 23, 1942 (7 F. R. 9772), are hereby further amended to read as hereinafter set forth:

"SEC. 315.2. *General.*—United States savings bonds will be issued only in registered form. The name and complete post office address of the owner, as well as the name of the coowner or designated beneficiary, if any, and the date as of which the bond is issued will be inscribed thereon at the time of issue by an authorized issuing agent.<sup>1</sup> The form of registration used must express the actual ownership of and interest in the bond and, except as otherwise specifically provided in these regulations, will be considered as conclusive of such ownership and interest. The Treasury Department can recognize no notices of adverse claims to savings bonds and will enter no stoppages or caveats against payment in accordance with the registration of the bonds. No designation of an attorney, agent or other representative to request or receive payment on behalf of the owner, nor any restriction on the right of such owner to receive payment of the bond, other than as provided in these regulations, may be made in the registration or otherwise."

"SEC. 315.3. *Restrictions.*—Only residents (whether individuals or others) of the United States (which for the purposes of this section shall include the territories, insular possessions and Canal Zone), citizens of the United States temporarily residing abroad, and nonresident aliens employed in the United States by the Federal Government or an agency thereof, may be named as owners, coowners or designated beneficiaries on bonds originally issued on or after April 1, 1940, or on authorized reissues thereof: *Provided, however,* That on original issues of bonds, but not on reissues, a nonresident alien (not a citizen of an enemy nation) may be named as coowner or designated beneficiary, and *Provided further,* That a nonresident alien, whether owner, coowner or beneficiary succeeding to title on the death of the owner, or succeeding to title upon the death of a surviving coowner or beneficiary, will be entitled only to request and receive payment either at or before maturity."<sup>2</sup>

"SEC. 315.10. *Calculation of amount.*—In computing the amount of savings bonds of any one series issued during any one calendar year held by any one person at any one time for the purpose of determining whether the amount is in excess of the authorized limit as set forth in the next preceding section, the following rules shall govern:

"(a) The holdings of each person, as defined in the next preceding section, individually and in a fiduciary capacity, shall be computed separately.

"(b) In the case of bonds of Series A, B, C, D, and E, the computation shall be based upon maturity values. In the case of bonds of Series F and G, the computation shall be based upon issue prices.

"(c) There must be taken into account: (1) all bonds originally issued to and registered in the name of that person alone; (2) all bonds originally issued to and registered in the name of that person as a coowner or reissued to add his name as coowner under the provisions of section 315.29 (a), or to designate him as coowner instead of as a beneficiary under the provisions of section 315.35 hereof: *Provided, however,* That with respect to bonds of Series E held in coownership form, the amount thereof may be applied to the holdings of either of the coowners, but will not be applied to both, or the amount may be apportioned between them; and (3) all bonds acquired by him before March 1, 1941, upon the death of another or the happening of any other event.

"(d) There need not be taken into account: (1) bonds of which that person is merely the designated beneficiary; (2) those in which his interest is only that of a beneficiary under a trust; or (3) those to which he is entitled as an heir or legatee of the deceased registered owner, or by virtue of the termination of a trust or the happening of any other event unless he became entitled to any such bonds in his own right before March 1, 1941.

"(e) Nothing herein contained shall be construed to invalidate any holdings within or, except as provided in subsection (c) above, to validate any holdings in excess of, the authorized limits, as computed under the regulations in force at the time such holdings were acquired."

"SEC. 315.20 (b). *Banks, trust companies and branches.*—Any officer of any incorporated bank or trust company or branch thereof, domestic or foreign,

<sup>1</sup> The date of maturity is also inscribed on savings bonds of Series A, Series B, and Series D.

<sup>2</sup> Under the terms of Executive Order No. 8389, as amended, and the regulations issued thereunder, bonds may not be issued or paid to nationals (as defined in said order) of blocked countries or to nationals of enemy countries, whether or not residing in the United States, unless such nationals are generally or specially licensed under the terms of the order.

including banks or trust companies incorporated in the United States or its organized territories, those doing business in the organized territories or insular possessions of the United States and the Commonwealth of the Philippines under Federal charter or organized under Federal law, Federal Reserve Banks, Federal land banks, and Federal home loan banks; any employee of any such bank or trust company expressly authorized by the corporation to sign on behalf of, or for, any officer thereof, and who should sign over the title 'Designated Employee'; and Federal Reserve agents and assistant Federal Reserve agents, located at the several Federal Reserve Banks. Certifications by any of these officers or designated employees should be authenticated by either a legible impression of the corporate seal of the bank or trust company or, in the case of banks or trust companies and their branches which are authorized and duly qualified issuing agents for bonds of Series E, by a legible imprint of the issuing agent's dating stamp."

"SEC. 315.25. *Payment to legal guardians.*—If the form of registration of a savings bond indicates that the owner is a minor or has been judicially declared to be incompetent to manage his estate and that a guardian or similar representative has been appointed for the estate of such minor or incompetent by a court having jurisdiction or is otherwise legally qualified, payment will be made only to such guardian or similar legal representative. In such case the request for payment appearing on the back of the bond should be signed by the guardian or other legal representative as such, for example, 'John A. Jones, guardian (committee) of the estate of Henry W. Smith, a minor (an incompetent).' Unless the form of registration gives the name of the representative, there must be submitted in support of the request a certificate or a certified copy of the letters of appointment from the court making the appointment under the seal of the court, establishing that the appointment is in full force. Such certificate or certification (except in the case of corporate fiduciaries) should be dated not more than 6 months prior to the date of presentation of the bond for payment. See subpart M hereof for payment provisions applicable to bonds registered in the names of guardians and similar fiduciaries. Where the form of registration does not indicate that the owner is a minor for whose estate a guardian has been appointed, a notice that such guardian has been appointed will not be accepted by the Treasury for the purpose of preventing payment to the minor or his parent as provided in the two following sections."

"SEC. 315.26. *Payment to minors.*—Unless the form of registration of a savings bond indicates that the owner is a minor for whose estate a guardian or similar legal representative has been appointed or is otherwise duly qualified, payment will be made direct to such minor, provided he is, at the time payment is requested, of sufficient competency and understanding to sign his name to the request and to comprehend the nature of such act. In general the fact that the request for payment has been signed by a minor and duly certified in accordance with subpart H hereof will be accepted as sufficient proof of such competency and understanding."

"SEC. 315.27. *Payment to parents of minors.*—If the owner of a savings bond is a minor and the form of registration does not indicate that a guardian or similar legal representative of the estate of such minor owner has been appointed or is otherwise legally qualified, and if such minor owner is not of sufficient competency and understanding to execute the request for payment, payment will be made to either parent of the minor with whom he resides, or if the minor does not reside with either parent, then to the person who furnishes his chief support. The parent or such other person should sign the request for payment in his own name, on behalf of the minor, in the form 'Mrs. Mary Jones, on behalf of John C. Jones,' and should sign a certificate, in substantially the following form, which may be typed on the back of the bond:

'I certify that I am the ----- (relationship) of John C. Jones and the person with whom he resides. He is ----- years of age and is not of sufficient competency and understanding to sign this request.'

"If a person other than a parent signs the request on behalf of the minor he should also certify that the minor does not reside with either parent and that he furnishes his chief support. The Treasury Department may in any particular case require further proof that the minor is not of sufficient competency and understanding to execute the request for payment and of the right of the person executing the request to act on behalf of the minor."

"SEC. 315.29. *Reissue for certain purposes.*—A savings bond of any series registered in the name of one person in his own right, or to which one person is shown

to be entitled in his own right under these regulations, may be reissued upon appropriate request for the following purposes:

"(a) *Addition of coowner.*—Reissue in the name of the owner with that of another natural person as coowner, provided that bonds reissued in accordance with this subsection will be considered for the purposes of computation of holdings under subpart D of these regulations as originally issued in both names and no reissue will be effective which results in any one person holding bonds in excess of the established limitation for the series to which the bonds belong. Requests for reissue under this subsection should be made on Form PD 1762.

"(b) *Addition of a beneficiary.*—Reissue in the name of the owner with the name of another natural person as designated beneficiary. Applications for reissue under the provisions of this subsection should be made on Form PD 1077.

"(c) *Reissue in living trust.*—Reissue in the name of a trustee of a living trust created by the registered owner for his benefit in whole or in part, during his lifetime whether or not containing an absolute power of revocation in the grantor; but such reissue will be allowed only in the case of bonds of those series which may be originally issued in the name of a trustee."

"SEC. 315.32. *Payment or reissue.*<sup>3</sup>—A savings bond registered in the names of two persons as coowners in the form 'John A. Jones OR Mrs. Mary C. Jones,' will be paid or reissued as follows:

"(a) *During the lives of both coowners.*—During the lives of both coowners the bond will be paid to either coowner upon his separate request without requiring the signature of the other coowner; and upon payment to either coowner the other person shall cease to have any interest in the bond. The bond will also be paid to both coowners upon their joint request, in which case payment will be made by check drawn to the order of both coowners in the form, for example, 'John A. Jones and Mrs. Mary C. Jones,' and the check must be endorsed by both payees. The bond will not be reissued in any form during the lives of both coowners except as specifically provided in these regulations.

"(b) *After the death of one coowner.*—If either coowner dies without having presented and surrendered the bond for payment to a Federal Reserve Bank or the Treasury Department, the surviving coowner will be recognized as the sole and absolute owner of the bond, and payment will be made only to him: *Provided, however,* That if a coowner dies after he has properly executed the request for payment and after the bond has actually been received by a Federal Reserve Bank or the Treasury Department, payment of the bond, or check if one has been issued, will be made to his estate (see subpart P hereof). Upon proof of the death of one coowner and appropriate request by the surviving coowner (unless a nonresident alien, in which case see sec. 315.3) the bond will be reissued in the name of such survivor alone, or in his name with another individual as coowner, or in his name payable on death to a designated beneficiary.

"(c) *On death of both coowners in common disaster.*—If both coowners die in a common disaster under such conditions that it cannot be established, either by presumption of law or otherwise, which coowner died first, the bond will be considered as belonging to the estates of both coowners.

"(d) *After the death of a surviving coowner.*—If a surviving coowner who became solely entitled to the bond under the provisions of subsection (b) of this section dies without having submitted the bond for payment or reissue, the bond will be paid or reissued as though it were registered in the name of such last deceased coowner alone. In this case proof of the death of both coowners and of the order in which they died will be required."

"SEC. 315.35. *Reissue during the lifetime of a registered owner.*—A bond registered in the name of one person payable on death to another may be reissued, on the duly certified request of the registered owner, to name a beneficiary designated on the bond as coowner subject to the same restrictions and conditions contained in section 315.29 (a). A bond may also be reissued upon the duly certified request of the registered owner, together with the duly certified consent of the designated beneficiary, to eliminate such beneficiary or to substitute another person as beneficiary, or to name another person as coowner. If the beneficiary should predecease the registered owner, upon proof of such death and upon request of the registered owner the bond may be reissued in his name alone or in his name with another individual as coowner, or in his name payable on death to a designated beneficiary. Requests should preferably be made upon the forms provided for such purpose."

"SEC. 315.36. *Payment or reissue to beneficiary.*—If the registered owner dies without having presented and surrendered the bond for payment or authorized reissue to a Federal Reserve Bank or the Treasury Department, and is survived by the beneficiary, upon proof of such death and survivorship, the beneficiary will be

<sup>3</sup> Amended May 1, 1944, see p. 334.

recognized as the sole and absolute owner of the bond, and it will be paid only to him at or before maturity, or (unless such beneficiary be a nonresident alien, in which case see section 315.3) may be reissued in his name alone, or otherwise reissued in accordance with subpart J as though it were registered in his name alone: *Provided, however,* That if the bond with a properly executed request by the registered owner for payment or authorized reissue has actually been received by a Federal Reserve Bank or the Treasury Department, payment of the bond, or check if one has been issued, will be made to the estate of the deceased owner in accordance with section 315.49."

"SEC. 315.37. *Payment or reissue after death of the surviving beneficiary.*—After the death of a surviving beneficiary who became entitled under the provisions of this subpart, the bond will be paid or (except in the case of a nonresident alien) reissued in accordance with subpart J as though it were registered in the name of the surviving beneficiary alone. In this case proof of the death of both the registered owner and the beneficiary and of the order in which they died will be required."

"SEC. 315.52. *Determination of interest as between owner and coowner or beneficiary.*—Conflicting claims as to ownership of or interest in a savings bond, as between the registered owner and the coowner or the registered owner and a designated beneficiary may be determined by valid judicial proceedings, in which case the bond upon surrender by the party requesting reissue may be reissued in the names of the respective parties to the extent of their respective interests as determined by such proceedings, but only in authorized denominations. The Treasury can accept no notices of pending judicial proceedings and cannot undertake to protect the interests of litigants who do not have possession of the bonds."

"SEC. 315.65. *Correspondence, certificates, notices, and forms.*—Correspondence in regard to any transactions in United States savings bonds under the provisions of these regulations, certificates of court and other certificates, as well as notices of intention to redeem, and the like (which must be in writing), should be addressed to a Federal Reserve Bank or to the Treasury Department, Bureau of the Public Debt, Merchandise Mart, Chicago, Ill. Notices or documents on file with other bureaus of the Department will not be recognized. Appropriate forms for use in connection with transactions may be procured from any Federal Reserve Bank or from the Division of Loans and Currency."

HENRY MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

THIRD AMENDMENT, OCTOBER 27, 1943, TO DEPARTMENT CIRCULAR NO. 530,  
FIFTH REVISION

TREASURY DEPARTMENT,  
Washington, October 27, 1943.

*To Owners of United States Savings Bonds, and Others Concerned:*

Section 315.5 (b) of Department Circular No. 530, Fifth Revision, dated June 1, 1942 (7 F. R. 5158), is hereby amended so that the last sentence thereof will read:

"Registration may not be made in the names of trustees under a statute, regulation, agreement, or other instrument purporting to create a trust where the funds used represent merely security for the performance of a duty or obligation."

D. W. BELL,  
*Acting Secretary of the Treasury.*

FOURTH AMENDMENT, JANUARY 1, 1944, TO DEPARTMENT CIRCULAR NO. 530,  
FIFTH REVISION

TREASURY DEPARTMENT,  
Washington, January 1, 1944.

*To Owners of United States Savings Bonds, and Others Concerned:*

Department Circular No. 530, Fifth Revision, dated June 1, 1942, as amended, is hereby further amended as follows:

1. Section 315.5 is amended by striking out the second sentence of the first paragraph and inserting in lieu thereof the following:

"Bonds of these two series may also be registered in the names of fiduciaries, corporations, associations or partnerships, except that they may not be registered

in the names of commercial banks, which are defined for this purpose as those accepting demand deposits: *Provided, however*, That bonds originally issued on or after January 1, 1944, may be registered in the name of a commercial bank having savings deposits to the extent and under the conditions set forth in section 315.9 (c) hereof.”<sup>1</sup>

2. Section 315.5 (d) is amended to read as follows:

“In the name of any private organization, whether incorporated or unincorporated (except that bonds originally issued prior to January 1, 1944, may not be registered in the name of a commercial bank as hereinbefore defined), using in each case the full legal name of the organization without mention of any officer or member but making reference, if desired, to a particular bookkeeping account or fund (not a trust), as follows:

“(1) A private corporation, followed by the words ‘a corporation,’ for example: ‘Smith Manufacturing Company, a corporation’;

“(2) An unincorporated association, lodge, church or society, or similar body, followed by the words ‘an unincorporated association,’ for example: ‘The Lotus Club, an unincorporated association.’ The term ‘an unincorporated association’ should not be used to describe a trust fund, a partnership or a business conducted under a trade name;

“(3) A partnership, considered as an entity, followed by the words ‘a partnership,’ for example: ‘Smith and Brown, a partnership.’”

3. Section 315.9 (c) is amended to read as follows:

“Series F and G—\$50,000 (issue price) for the calendar year 1941, and \$100,000 (issue price) for each calendar year thereafter, of either series or of the combined aggregate of both: *Provided, however*, That as to bonds of these series originally issued on or after January 1, 1944, the amount held by a commercial bank having savings deposits as defined in Regulation Q of the Board of Governors of the Federal Reserve System shall not in any case exceed \$100,000 (issue price) or ten percent of such savings deposits as shown on the bank’s books as of the date of the most recent call statement required by the supervising authorities prior to the date of acquisition of such savings bonds, whichever is less: *And Provided further*, That the amount of savings bonds of Series F and G originally issued on or after January 1, 1944, held by a commercial bank together with 2½ percent Treasury bonds of 1965–70, to be issued under Treasury Department Circular No. 729, and 2¼ percent Treasury bonds of 1956–59, to be issued under Treasury Department Circular No. 730, shall not exceed in the aggregate \$200,000 or ten percent of the savings deposits of such bank as above defined, whichever is less.”<sup>1</sup>

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

#### FIFTH AMENDMENT, MAY 1, 1944, TO DEPARTMENT CIRCULAR NO. 530, FIFTH REVISION

TREASURY DEPARTMENT,  
Washington, May 1, 1944.

*To Owners of United States Savings Bonds, and Others Concerned:*

Section 315.32 of Department Circular No. 530, Fifth Revision, dated June 1, 1942, as amended by the Cumulative Amendment dated June 17, 1943, is hereby further amended to read as follows:

“SEC. 315.32. *Payment or reissue.*—A savings bond registered in the names of two persons as coowners in the form ‘John A. Jones OR Mrs. Mary C. Jones’ will be paid or reissued as follows:

“(a) *Payment during the lives of both coowners.*—During the lives of both coowners the bond will be paid to either coowner upon his separate request without requiring the signature of the other coowner; and upon payment to either coowner the other person shall cease to have any interest in the bond. The bond will also be paid to both coowners upon their joint request, in which case payment will be made by check drawn to the order of both coowners in the form ‘John A. Jones and Mrs. Mary C. Jones’, and the check must be endorsed by both payees.

“(b) *Reissue during the lives of both coowners.*—If one of the coowners is unmarried at the time of issue of the bond and subsequently marries, the bond may be reissued upon the request of both coowners to substitute the husband and wife as coowners. Such request should be on a form provided for that purpose by any Federal Reserve Bank or branch or by the Treasury Department,

<sup>1</sup> Amended June, 12, 1944, see p. 335.



Division of Loans and Currency, Merchandise Mart, Chicago 54, Ill. No other reissue will be permitted in any form during the lives of both coowners except as specifically provided in these regulations.

"(c) *Payment or reissue after the death of one coowner.*—If either coowner dies without having presented and surrendered the bond for payment to a Federal Reserve Bank or the Treasury Department, the surviving coowner will be recognized as the sole and absolute owner of the bond, and payment will be made only to him: *Provided, however,* That if a coowner dies after he has properly executed the request for payment and after the bond has actually been received by a Federal Reserve Bank or the Treasury Department, payment of the bond, or check if one has been issued, will be made to his estate (see subpart P hereof). Upon proof of the death of one coowner and appropriate request by the surviving coowner (unless a nonresident alien, in which case see sec. 315.3) the bond will be reissued in the name of such survivor alone, or in his name with another individual as coowner, or in his name payable on death to a designated beneficiary.

"(d) *Payment or reissue on death of both coowners in common disaster.*—If both coowners die in a common disaster under such conditions that it cannot be established, either by presumption of law or otherwise, which coowner died first, the bond will be considered as belonging to the estates of both coowners, and payment or reissue will be made accordingly.

"(e) *Payment or reissue after the death of the surviving coowner.*—If a surviving coowner who became solely entitled to the bond under the provisions of subsection (c) of this section dies without having submitted the bond for payment or reissue, the bond will be paid or reissued as though it were registered in the name of such last deceased coowner alone. In this case proof of the death of both coowners and of the order in which they died will be required."

D. W. BELL,  
*Acting Secretary of the Treasury.*

SIXTH AMENDMENT, JUNE 12, 1944, TO DEPARTMENT CIRCULAR NO. 530, FIFTH REVISION

TREASURY DEPARTMENT,  
Washington, June 12, 1944.

*To Owners of United States Savings Bonds, and Others Concerned:*

Department Circular No. 530, Fifth Revision, dated June 1, 1942, as amended, is hereby further amended as follows:

1. Section 315.5 is amended by striking out the second sentence of the first paragraph and inserting in lieu thereof the following:

"Bonds of these two series may also be registered in the names of fiduciaries, corporations, associations or partnerships, except that they may be registered in the names of commercial banks, which are defined for this purpose as those accepting demand deposits, only to the extent and under the conditions set forth in section 315.9 (c) hereof."

2. Section 315.9 (c) is amended to read as follows:

"Series F and G—\$50,000 (issue price) for the calendar year 1941, and \$100,000 (issue price) for each calendar year thereafter, of either series or of the combined aggregate of both: *Provided, however,* That as to bonds of these series originally issued on or after January 1, 1944, the amount held by a commercial bank holding savings deposits and issuing time certificates of deposit (as each is defined in Regulation Q of the Board of Governors of the Federal Reserve System) shall not in any case exceed \$100,000 (issue price) or 20 percent of such time certificates of deposit (but only those issued in the names of individuals and of corporations, associations, and other organizations not operated for profit) and savings deposits as shown on the bank's books as of the date of the most recent call statement required by the supervising authorities prior to the date of acquisition of such savings bonds, whichever is less; and *Provided further,* That the amount of savings bonds of Series F and G originally issued on or after January 1, 1944, held by a commercial bank together with 2½ percent Treasury bonds of 1965–70, subscribed for under Treasury Department Circulars Nos. 729 and 740, 2¼ percent Treasury bonds of 1956–59, subscribed for under Treasury Department Circular No. 730, and 2 percent Treasury bonds of 1952–54, subscribed for under Treasury Department Circular No. 741, shall not exceed in the aggregate \$400,000, or 20 percent of such savings deposits and time certificates of deposit of such banks as above defined, whichever is less."

D. W. BELL,  
*Acting Secretary of the Treasury.*

## Exhibit 29

*Announcement July 27, 1943, of a reduction in the size of Series E war savings bonds*

TREASURY DEPARTMENT,  
Washington, July 27, 1943.

Secretary Morgenthau announced today that in an effort to conserve labor, paper and other materials, conclusion had been reached to reduce the size of the United States war savings bonds—Series E, without change in the terms of the bonds, or their designation.

The new size will be approximately  $7\frac{3}{4}$  by  $4\frac{1}{4}$  inches, or about that of the present bond folded once from top to bottom.

Work will proceed immediately, and it is confidently believed the new bonds will be available in about two months, after which they will be issued in regular course as stocks of the present bonds become exhausted.

A saving of about \$1,750,000 a year in paper and production costs alone will be realized on the basis of last year's sales of these bonds.

## Treasury notes, tax series and savings series

## Exhibit 30

*Amendments to circulars governing the issue and redemption of Treasury notes, tax series and savings series*

FIRST AMENDMENT, OCTOBER 4, 1943, TO DEPARTMENT CIRCULAR No. 695,  
RELATIVE TO THE PRESENTATION IN PAYMENT OF TAXES OF TREASURY TAX  
SAVINGS NOTES OF SERIES A-1945

TREASURY DEPARTMENT,  
Washington, October 4, 1943.

1. Section IV-1 of Department Circular No. 695, dated September 12, 1942 (7 F. R. 7258), is hereby amended to read as follows:

“IV. PRESENTATION IN PAYMENT OF TAXES<sup>1</sup>

“1. During and after the second calendar month after the month of purchase (as shown by the issuing agent's dating stamp on each note), during such time, and under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, notes issued hereunder in the name of a taxpayer (individual, corporation, or other entity) may be presented and surrendered, to the extent hereinafter set forth, by such taxpayer, his agent, or his estate, to the Collector of Internal Revenue to whom the tax return is made, and will be receivable by the Collector at par and accrued interest from September 1942 to the month, inclusive (but no accrual beyond September 1945), in which presented in payment of any Federal income taxes (current and back personal and corporation taxes, and excess-profits taxes), or any Federal estate or gift taxes (current and back), assessed against the original purchaser or his estate. Notwithstanding the provisions of Department Circular No. 667, as amended, and of Department Circular No. 674, the Collector will accept (a) notes of Tax Series A-1945, or of Tax Series A-1943, or of Tax Series A-1944, or any of them in combination without limitation as to amount, and (b) the amount of the accrued interest thereon, on account of (but in no case in excess of) any one taxpayer's liability for each class of taxes (income, estate, or gift) for each taxable period. The notes must be forwarded to the Collector at the risk and expense of the owner, and, for the owner's protection, should be forwarded by registered mail, if not presented in person.”

D. W. BELL,  
*Acting Secretary of the Treasury.*

<sup>1</sup> Amended, see p. 339.

## SECOND AMENDMENT, JULY 27, 1943, TO DEPARTMENT CIRCULAR NO. 696, RELATIVE TO THE REDEMPTION OF TREASURY SAVINGS NOTES OF SERIES C AND TREASURY NOTES OF TAX SERIES C

TREASURY DEPARTMENT,  
Washington, July 27, 1943.

1. Paragraph 1 (a) of Section V of Department Circular No. 696 (7 F. R. 7260), as amended (8 F. R. 8684), is hereby further amended to read as follows:

"1. *General.*—(a) Any Treasury savings note of Series C not presented in payment of taxes, will be paid at maturity, or, at the option and request of the owner and without advance notice, will be redeemed before maturity, but the notes may be redeemed before maturity only during and after the sixth calendar month after the month of issue (as shown on the face of each note)."

2. This amendment shall apply to Treasury savings notes, Series C, and to notes issued as Treasury notes of Tax Series C without regard to the date of issue or to the designation of the notes.

HENRY MORGENTHAU, Jr.,  
*Secretary of the Treasury.*FIRST REVISION, NOVEMBER 20, 1943, OF DEPARTMENT CIRCULAR NO. 696,  
RELATING TO TREASURY SAVINGS NOTES OF SERIES CTREASURY DEPARTMENT,  
Washington, November 20, 1943.

## I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, offers for sale to the people of the United States, at par, an issue of notes of the United States, designated Treasury savings notes, Series C, which notes, if inscribed in the name of a Federal taxpayer, will be receivable as hereinafter provided at par and accrued interest in payment of Federal income, estate and gift taxes.

2. The term Treasury savings notes, Series C, as used in this circular shall include Treasury notes of Tax Series C, issued under this circular as originally published and Treasury savings notes, Series C, issued under this circular as originally published and amended.

3. The sale of the notes will continue until terminated by the Secretary of the Treasury.

## II. DESCRIPTION OF NOTES

1. *General.*—Treasury savings notes, Series C, will in each instance be dated as of the first day of the month in which payment, at par, is received and credited by an agent authorized to issue the notes. They will mature three years from that date, and may not be called by the Secretary of the Treasury for redemption before maturity. All notes issued during any one calendar year shall constitute a separate series indicated by the letter "C" followed by the year of maturity. At the time of issue the authorized issuing agent will inscribe on the face of each note the name and address of the owner, will enter the date as of which the note is issued and will imprint his dating stamp (with current date). The notes will be issued in denominations of \$100, \$500, \$1,000, \$5,000, \$10,000, \$100,000, \$500,000, and \$1,000,000. Exchange of authorized denominations from higher to lower, but not from lower to higher, may be arranged at the office of the agent that issued the note.

2. *Acceptance for taxes or cash redemption.*—If inscribed in the name of an individual, corporation, or other entity paying Federal estate, income or gift taxes, the notes will be receivable, subject to the provisions of section IV of this circular, at par and accrued interest, in payment of such Federal taxes assessed against the owner or his estate. If not presented in payment of taxes, or if not inscribed in the name of a Federal taxpayer, and subject to the provisions of section V of this circular, the notes will be payable at maturity or, at the owner's option and request, they will be redeemable before maturity, at par and accrued interest.

3. *Interest.*—Interest on each \$1,000 principal amount of savings notes, Series C, will accrue each month from the month of issue, on a graduated scale, as follows:

	<i>Each month</i>
First to sixth months, inclusive.....	\$0. 50
Seventh to twelfth months, inclusive.....	. 80
Thirteenth to eighteenth months, inclusive.....	. 90
Nineteenth to twenty-fourth months, inclusive.....	1. 00
Twenty-fifth to thirty-sixth months, inclusive.....	1. 10

The table appended to this circular shows for notes of each denomination, for each consecutive calendar month from month of issue to month of maturity, (a) the amount of interest accrual, (b) the principal amount of the note with accrued interest (cumulative) added, and (c) the approximate investment yields. In no case shall interest accrue beyond the month in which the note is presented in payment of taxes, or for redemption before maturity as provided in section V of this circular, or beyond its maturity. Interest will be paid only with the principal amount.

4. *Forms of inscription.*—Treasury savings notes, Series C, may be inscribed in the name of an individual, corporation, unincorporated association or society, or a fiduciary (including trustees under a duly established trust where the notes would not be held as security for the performance of a duty or obligation), whether or not the inscribed owner is subject to Federal taxation. They may also be inscribed in the name of a town, city, county or State or other governmental body and in the name of a partnership, but notes in the name of a partnership are not acceptable in payment of taxes, since a partnership is not a Federal tax-paying entity. The notes will not be inscribed in the names of two or more persons as joint owners or coowners; or in the name of a public officer, whether or not named as trustee, where the notes would in effect be held as security.

5. *Nontransferability.*—The notes may not be transferred in ordinary course: except that (1) if inscribed in the name of a married man they may be reissued in the name of his wife, or if inscribed in the name of a married woman they may be reissued in the name of her husband, upon request of the person in whose name the notes are inscribed and the surrender of the notes to the agent that issued them; (2) if inscribed in the name of a corporation owning more than 50 percent of the stock, with voting power, of another corporation, the notes may be reissued in the name of the subsidiary upon request of the corporation and surrender of the notes to the agent that issued them; (3) upon the death or disability of an individual inscribed owner or the dissolution, consolidation or merger of a corporation or unincorporated association named as owner, reissue or payment may be made in accordance with section VI hereof; and (4) payment but not reissue, may be made as a result of legal proceedings as set forth in said section VI. The notes may not be hypothecated and no attempted hypothecation or pledge as security will be recognized by the Treasury Department: *Provided, however,* That the notes may be pledged as collateral for loans from banking institutions and if title thereto is acquired by a bank because of the failure of a loan to be paid, the notes will be redeemed at par and accrued interest to the month in which acquired on surrender to the agent who issued them, accompanied by proof of the date of acquisition and by request of the pledgee under power of attorney given by the pledgor in whose name the notes are inscribed. The notes will not be transferred to a pledgee. The notes will not be acceptable to secure deposits of public moneys.

6. *Taxation.*—Income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

### III. PURCHASE OF NOTES

1. *Official agencies.*—In addition to the Treasury Department, the Federal Reserve Banks and their branches are hereby designated agencies for the issue and redemption of Treasury savings notes, Series C. The Secretary of the Treasury, from time to time, in his discretion, may designate other agencies for the issue of the notes, or for accepting applications therefor, or for making payments on account of the redemption thereof.

2. *Applications and payment.*—Applications will be received by the Federal Reserve Banks and branches, and by the Treasurer of the United States, Washington, D. C. Banking institutions and security dealers generally may submit

applications for account of customers, but only the Federal Reserve Banks and their branches and the Treasury Department are authorized to act as official agencies. The use of an official application form is desirable but not necessary. Appropriate forms may be obtained on application to any Federal Reserve Bank or branch, or the Treasurer of the United States, Washington, D. C. Every application must be accompanied by payment in full, at par. Any form of exchange, including personal checks, will be accepted subject to collection, and should be drawn to the order of the Federal Reserve Bank or of the Treasurer of the United States, as payee, as the case may be. The date funds are made available on collection of exchange will govern the issue date of the notes. Any depository, qualified pursuant to the provisions of Treasury Department Circular No. 92, Revised, as amended, will be permitted to make payment by credit for notes applied for on behalf of itself or its customers up to any amount for which it shall be qualified in excess of existing deposits.

3. *Reservations.*—The Secretary of the Treasury reserves the right to reject any application in whole or in part, and to refuse to issue or permit to be issued hereunder any notes in any case or in any class or classes of cases if he deems such action to be in the public interest, and his action in any such respect shall be final. If an application is rejected, in whole or in part, any payment received therefor will be refunded.

4. *Delivery of notes.*—Upon acceptance of full-paid applications, notes will be duly inscribed and, unless delivered in person, will be delivered, at the risk and expense of the United States at the address given by the purchaser, by mail, but only within the United States, its territories and insular possessions and the Canal Zone. No deliveries elsewhere will be made.

#### IV. PRESENTATION IN PAYMENT OF TAXES

1. During and after the second calendar month after the month of purchase (as shown by the issue date on each note), during such time, and under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, notes issued hereunder in the name of a taxpayer (individual, corporation, or other entity) may be presented and surrendered by such taxpayer, his agent, or his estate, to the Collector of Internal Revenue to whom the tax return is made, and will be receivable by the Collector at par and accrued interest from the month of issue to the month, inclusive (but no accrual beyond maturity), in which presented, in payment of any Federal income taxes (current and back personal and corporation taxes, and excess-profits taxes), or any Federal estate or gift taxes (current and back) assessed against the inscribed owner or his estate. The notes must be forwarded to the Collector at the risk and expense of the owner, and, for the owner's protection, should be forwarded by registered mail, if not presented in person.

#### V. CASH REDEMPTION AT OR PRIOR TO MATURITY

1. *General.*—(a) Any Treasury savings note of Series C not presented in payment of taxes, will be paid at maturity, or, at the option and request of the owner and without advance notice, will be redeemed before maturity, but the notes may be redeemed before maturity only during and after the sixth calendar month after the month of issue (as shown on the face of each note). (b) Payment at maturity or on redemption before maturity will be made at par and accrued interest to the month of payment, except, if a note is inscribed in the name of a bank that accepts demand deposits, payment at maturity or on redemption before maturity will be made only at the issue price, or par, of the note. However, if a note is acquired by any such bank through forfeiture of a loan, payment will be made at the redemption value for the month in which so acquired.

2. *Execution of request for payment.*—The owner in whose name the note is inscribed must appear before one of the officers authorized by the Secretary of the Treasury to witness and certify requests for payment, establish his identity, and in the presence of such officer sign the request for payment appearing on the back of the note, adding the address to which check is to be mailed. After the request for payment has been so signed, the witnessing officer should complete and sign the certificate provided for his use.

3. *Officers authorized to witness and certify requests for payment.*—All officers authorized to witness and certify requests for payment of United States savings bonds, as set forth in Treasury Department Circular No. 530, Fifth Revision, as amended, are hereby authorized to witness and certify requests for cash redemption of Treasury notes issued under this circular. Such officers include, among others, United States postmasters, certain other postoffice officials, officers of all banks and trust companies incorporated in the United States or its organized territories, including officers at branches thereof, and commissioned officers of the Army, Navy, Marine Corps, and Coast Guard.

4. *Presentation and surrender.*—Notes bearing properly executed requests for payment must be presented and surrendered to the agent that issued the notes (as shown by the agent's dating stamp), at the expense and risk of the owner. For the owner's protection, notes should be forwarded by registered mail, if not presented in person.

5. *Partial redemption.*—Partial cash redemption of a note, corresponding to an authorized denomination, may be made in the same manner as for full cash redemption, appropriate changes being made in the request for payment. In case of partial redemption of a note, the remainder will be reissued in the same name and with the same date of issue as the note surrendered.

6. *Payment.*—Payment of any note, either at maturity or on redemption before maturity, will be made only by the Federal Reserve Bank or branch or the Treasury Department, as the case may be, that issued the note, and will be made by check drawn to the order of the owner, and mailed to the address given in his request for payment.

#### VI. PAYMENT OR REISSUE TO OTHER THAN INSCRIBED OWNER

1. *Death or disability.*—In case of the death or disability of an individual owner and the notes are not to be presented in payment of taxes, payment will be made to the duly constituted representative of his estate, or they may be reissued to one or more of his heirs or legatees upon satisfactory proof of their right; but no reissue will be made in two names jointly or as coowners.

2. *Dissolution or merger of corporations, etc.*—If a corporation or unincorporated body, in whose names notes are inscribed, is dissolved, consolidated, merged or otherwise changes its organization, the notes may be paid to, or reissued in the name of those persons or organizations lawfully entitled to the assets of such corporation or body by reason of such changes in organization.

3. *Bankruptcy.*—If an inscribed owner of notes is declared bankrupt or insolvent, payment, but not reissue, will be made to the duly qualified trustee, receiver or similar representative if the notes are submitted with satisfactory proof of his appointment and qualification.

4. *Creditors' rights.*—Payment, but not reissue, will be made as a result of judicial proceedings in a court of competent jurisdiction, if the notes are submitted with proper proof of such proceedings and their finality.

5. *Instructions and information.*—Before executing the request for payment or submitting the notes under the provisions of this section, instructions should be obtained from the issuing agent or from the Treasury Department, Division of Loans and Currency, Washington 25, D. C.

#### VII. GENERAL PROVISIONS

1. *Regulations.*—Except as provided in this circular, the notes issued hereunder will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing bonds and notes of the United States; the regulations currently in force are contained in Department Circular No. 300, as amended.

2. *Loss, theft or destruction.*—In case of the loss, theft or destruction of a savings note immediate notice (which should include a full description of the note) should be given the agency which issued the note and instructions should be requested as to the procedure necessary to secure a duplicate.

3. *Fiscal agents.*—Federal Reserve Banks and their branches, as fiscal agents of the United States, are authorized to perform such services or acts as may be appropriate and necessary under the provisions of this circular and under any instructions given by the Secretary of the Treasury.

4. *Amendments.*—The Secretary of the Treasury may at any time or from time to time supplement or amend the terms of this circular, or of any amendments or supplements thereto, and may at any time or from time to time prescribe amendatory rules and regulations governing the offering of the notes, information as to which will promptly be furnished to the Federal Reserve Banks.

D. W. BELL,  
*Acting Secretary of the Treasury.*

## TREASURY SAVINGS NOTES—SERIES C

## Table of tax-payment or redemption values and investment yields

The table below shows for each month from date of issue to date of maturity the amount of interest accrued; the principal amount with accrued interest added, for notes of each denomination; the approximate investment yield on the par amount from issue date to the beginning of each month following the month of issue; and the approximate investment yield on the current redemption value from the beginning of the month indicated to the month of maturity

Par value (issue price during month of issue)	\$100	\$500	\$1,000	\$5,000	\$10,000	\$100,000	\$500,000	\$1,000,000	Approximate investment yield on par amount from issue date to beginning of each monthly period thereafter	Approximate investment yield on current tax-payment or redemption values from beginning of each monthly period to maturity
Amount of interest accrual each month <i>after</i> month of issue	Tax-payment or redemption values during each monthly period <i>after</i> month of issue <sup>1</sup>									
Interest accrues at rate of \$0.50 per month per \$1,000 par amount:									<i>Percent</i>	<i>Percent</i>
First month.....	\$100.05	\$500.25	\$1,000.50	\$5,002.50	\$10,005	\$100,050	\$500,250	\$1,000,500	0.60	1.07
Second month.....	100.10	500.50	1,001.00	5,005.00	10,010	100,100	500,500	1,001,000	.60	1.08
Third month.....	100.15	500.75	1,001.50	5,007.50	10,015	100,150	500,750	1,001,500	.60	1.09
Fourth month.....	100.20	501.00	1,002.00	5,010.00	10,020	100,200	501,000	1,002,000	.60	1.11
Fifth month.....	100.25	501.25	1,002.50	5,012.50	10,025	100,250	501,250	1,002,500	.60	1.12
Sixth month.....	100.30	501.50	1,003.00	5,015.00	10,030	100,300	501,500	1,003,000	.60	1.14
Interest accrues at rate of \$0.80 per month per \$1,000 par amount:									<i>Percent</i>	<i>Percent</i>
Seventh month.....	100.38	501.90	1,003.80	5,019.00	10,038	100,380	501,900	1,003,800	.65	1.16
Eighth month.....	100.46	502.30	1,004.60	5,023.00	10,046	100,460	502,300	1,004,600	.65	1.17
Ninth month.....	100.54	502.70	1,005.40	5,027.00	10,054	100,540	502,700	1,005,400	.72	1.17
Tenth month.....	100.62	503.10	1,006.20	5,031.00	10,062	100,620	503,100	1,006,200	.74	1.18
Eleventh month.....	100.70	503.50	1,007.00	5,035.00	10,070	100,700	503,500	1,007,000	.76	1.19
Twelfth month.....	100.78	503.90	1,007.80	5,039.00	10,078	100,780	503,900	1,007,800	.78	1.20
Interest accrues at rate of \$0.90 per month per \$1,000 par amount:									<i>Percent</i>	<i>Percent</i>
Thirteenth month.....	100.87	504.35	1,008.70	5,043.50	10,087	100,870	504,350	1,008,700	.80	1.21
Fourteenth month.....	100.96	504.80	1,009.60	5,048.00	10,096	100,960	504,800	1,009,600	.82	1.22
Fifteenth month.....	101.05	505.25	1,010.50	5,052.50	10,105	101,050	505,250	1,010,500	.84	1.23
Sixteenth month.....	101.14	505.70	1,011.40	5,057.00	10,114	101,140	505,700	1,011,400	.85	1.24
Seventeenth month.....	101.23	506.15	1,012.30	5,061.50	10,123	101,230	506,150	1,012,300	.86	1.25
Eighteenth month.....	101.32	506.60	1,013.20	5,066.00	10,132	101,320	506,600	1,013,200	.88	1.26

<sup>1</sup> Not acceptable in payment of taxes until during and after the second calendar month after the month of issue, and not redeemable for cash until during and after the sixth calendar month after the month of issue.

<sup>2</sup> Approximate investment yield for entire period from issuance to maturity.

## TREASURY SAVINGS NOTES—SERIES C—continued

Table of tax-payment or redemption values and investment yields—Continued

Par value (issue price during month of issue)	\$100	\$500	\$1,000	\$5,000	\$10,000	\$100,000	\$500,000	\$1,000,000	Approximate investment yield on par amount from issue date to beginning of each monthly period thereafter	Approximate investment yield on current tax-payment or redemption values from beginning of each monthly period to maturity
Amount of interest accrual each month <i>after</i> month of issue	Tax-payment or redemption values during each monthly period <i>after</i> month of issue <sup>1</sup>									
Interest accrues at rate of \$1 per month per \$1,000 par amount:									<i>Percent</i>	<i>Percent</i>
Nineteenth month.....	\$101.42	\$507.10	\$1,014.20	\$5,071.00	\$10,142	\$101,420	\$507,100	\$1,014,200	0.89	1.26
Twentieth month.....	101.52	507.60	1,015.20	5,076.00	10,152	101,520	507,600	1,015,200	.91	1.26
Twenty-first month.....	101.62	508.10	1,016.20	5,081.00	10,162	101,620	508,100	1,016,200	.92	1.27
Twenty-second month.....	101.72	508.60	1,017.20	5,086.00	10,172	101,720	508,600	1,017,200	.93	1.28
Twenty-third month.....	101.82	509.10	1,018.20	5,091.00	10,182	101,820	509,100	1,018,200	.94	1.28
Twenty-fourth month.....	101.92	509.60	1,019.20	5,096.00	10,192	101,920	509,600	1,019,200	.95	1.29
Interest accrues at rate of \$1.10 per month per \$1,000 par amount:										
Twenty-fifth month.....	102.03	510.15	1,020.30	5,101.50	10,203	102,030	510,150	1,020,300	.97	1.29
Twenty-sixth month.....	102.14	510.70	1,021.40	5,107.00	10,214	102,140	510,700	1,021,400	.98	1.29
Twenty-seventh month.....	102.25	511.25	1,022.50	5,112.50	10,225	102,250	511,250	1,022,500	.99	1.29
Twenty-eighth month.....	102.36	511.80	1,023.60	5,118.00	10,236	102,360	511,800	1,023,600	1.00	1.29
Twenty-ninth month.....	102.47	512.35	1,024.70	5,123.50	10,247	102,470	512,350	1,024,700	1.01	1.29
Thirtieth month.....	102.58	512.90	1,025.80	5,129.00	10,258	102,580	512,900	1,025,800	1.02	1.29
Thirty-first month.....	102.69	513.45	1,026.90	5,134.50	10,269	102,690	513,450	1,026,900	1.03	1.29
Thirty-second month.....	102.80	514.00	1,028.00	5,140.00	10,280	102,800	514,000	1,028,000	1.04	1.29
Thirty-third month.....	102.91	514.55	1,029.10	5,145.50	10,291	102,910	514,550	1,029,100	1.05	1.28
Thirty-fourth month.....	103.02	515.10	1,030.20	5,151.00	10,302	103,020	515,100	1,030,200	1.05	1.28
Thirty-fifth month.....	103.13	515.65	1,031.30	5,156.50	10,313	103,130	515,650	1,031,300	1.06	1.28
Thirty-sixth month (maturity).....	103.24	516.20	1,032.40	5,162.00	10,324	103,240	516,200	1,032,400	1.07	-----

<sup>1</sup> Not acceptable in payment of taxes until during and after the second calendar month after the month of issue, and not redeemable for cash until during and after the sixth calendar month after the month of issue.



## Miscellaneous

## Exhibit 31

*Portion of the act to increase the debt limit of the United States (Public Law 333, approved June 9, 1944)*

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Public Debt Act of 1944.*

SEC. 2. That section 21 of the Second Liberty Bond Act, as amended, is further amended to read as follows:

"SEC. 21. The face amount of obligations issued under the authority of this Act shall not exceed in the aggregate \$260,000,000,000 outstanding at any one time."

## Exhibit 32

*Second amendment, September 15, 1943, to Department Circular No. 660, relating to depositary bonds*

TREASURY DEPARTMENT,  
Washington, September 15, 1943.

Department Circular No. 660, dated May 23, 1941, as amended July 28, 1942, is hereby further amended as follows:

1. By deleting the first sentence of paragraph No. 3 of part II (Description of Bonds), of the circular and inserting in lieu thereof the following sentence:

"The bonds will be acceptable to secure deposits of Federal funds with, and the faithful performance of duties by, depositaries and financial agents designated under the provisions of section 5153 of the Revised Statutes of 1873, as amended (U. S. C., title 12, sec. 90); the act of May 7, 1928, 45 Stat. 492 (U. S. C., title 12, sec. 332); the act of June 19, 1922, 42 Stat. 662 (U. S. C., title 31, sec. 473); and section 10 of the act of June 11, 1942 (Public No. 603, 77th Cong., ch. 404, 2d sess.)."

D. W. BELL,  
Acting Secretary of the Treasury.

## Exhibit 33

*Regulations, December 31, 1943, governing issue of and transactions in United States excess profits tax refund bonds*

[Department Circular No. 728. Public Debt]

TREASURY DEPARTMENT,  
Washington, December 31, 1943.

*To Taxpayers Subject to the Excess Profits Tax, and to Others Concerned:*

Section 250 of the Revenue Act of 1942 amended Subchapter E of Chapter 2 of the Internal Revenue Code by adding thereto part III, consisting of sections 780 to 783, inclusive. Section 780 creates a credit of an amount equal to 10 percent of the tax imposed under subchapter E for each taxable year, ending after December 31, 1941 (except in the case of a taxable year beginning in 1941 and ending before July 1, 1942), and not beginning after the date of the cessation of hostilities in the present war. It further provides for the issue by the Secretary of the Treasury of bonds of the United States in an aggregate amount equal to 10 percent of the tax paid in respect of which a credit is provided.

Under the authority of section 782 of said part the following regulations are prescribed with respect to bonds so authorized:

SEC. 320.1. *Authority for issue.*—Bonds will be issued under the authority of and subject to the provisions of the Second Liberty Bond Act, as amended, and pursuant to sections 780 to 783, inclusive, of the Internal Revenue Code, as amended.

SEC. 320.2. *Designation.*—The bonds will be designated as "Excess Profits Tax Refund Bonds", and will be issued in series depending upon the calendar year, the credit for which is used for the purchase of the bonds. Those purchased with the credit for any taxable year beginning within the calendar years 1941 and 1942

will be designated as "First Series"; those purchased with the credit for any taxable year beginning within the calendar year 1943 will be designated "Second Series"; those purchased with the credit for any taxable year beginning within the calendar year 1944 will be designated "Third Series"; and those purchased with the credit for any taxable year beginning after December 31, 1944, will be designated "Fourth Series". Bonds of the First, Second, Third, and Fourth Series will mature, respectively, on the last day of the second, third, fourth, and fifth calendar years beginning after the cessation of hostilities in the present war, determined as provided in section 780 (e) of the Internal Revenue Code, as amended, but will be redeemable (at the option of the United States), after said cessation of hostilities, in whole or in part upon three months' notice.

SEC. 320.3. *Issue of bonds.*—The bonds will be issued following certification by the Commissioner of Internal Revenue of the amount of bonds to which a taxpayer is entitled, and will be issued only in registered form in the name so certified; each bond will be dated as of the day the credit available for its purchase is transferred to the Public Debt account. If the amount of the credit is less than \$1,000, a single bond will be issued for the exact amount of the credit. If the credit equals or exceeds \$1,000, one bond will be issued for the highest possible multiple of \$1,000, and an additional bond will be issued for any remaining amount less than \$1,000. In case of later deficiency assessments or determination of overassessment, provisions will be made for adjustments of the amount of the bonds.

SEC. 320.4. *Terms of the bonds.*—The bonds will bear no interest, will be non-negotiable and may not be transferred by sale, exchange, assignment, pledge, hypothecation or otherwise, on or before the date of said cessation of hostilities. After such date the bonds will be fully negotiable and may be exchanged or transferred without restriction. Bonds issued hereunder are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal thereof by any State or any of the possessions of the United States, or by any local taxing authority; the proceeds of the bonds upon redemption shall not be included in gross income under the Internal Revenue Code.

SEC. 320.5. *Future provision.*—Provisions will hereafter be made for the reissue of bonds in the names of successors of registered owners by reason of dissolution, merger, or consolidation of corporations; bankruptcy or insolvency of a registered owner, relief in the case of lost, stolen or destroyed bonds, and for the exchange or transfer of bonds subsequent to the cessation of hostilities as provided in said section 780.

SEC. 320.6. *Address for communications.*—All correspondence in connection with the issue of bonds hereunder after certification by the Commissioner of Internal Revenue, and as to further transactions therein, should be addressed to the Treasury Department, Division of Loans and Currency, Washington, D. C.

SEC. 320.7. *Amendments.*—The Secretary of the Treasury reserves the right at any time, or from time to time, to revoke or amend these regulations or to prescribe and issue supplemental or amendatory rules and regulations governing excess profits tax refund bonds.

D. W. BELL,  
*Acting Secretary of the Treasury.*

### Exhibit 34

*Fourth supplement, April 29, 1944, to Department Circular No. 300, prescribing regulations governing United States bonds and notes*

TREASURY DEPARTMENT,  
Washington, April 29, 1944.

Paragraph 33 (a) of Treasury Department Circular No. 300, dated July 31, 1923, as supplemented by the First Supplement dated June 25, 1935 (31 C. F. R. 306), is hereby amended to read as follows:

"33. *Officers authorized to witness assignments.*—

(a) *In general.*—The following officers are authorized to witness assignments of United States registered bonds:

Judges and clerks of United States courts;  
United States district attorneys;

United States collectors of customs;†

United States collectors of internal revenue;

Executive officers of Federal Reserve Banks located in Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco, and managers and assistant managers of the branches thereof;

Executive officers of Federal land banks;

Executive officers of Federal home loan banks;

*Executive officers of banks and trust companies incorporated in the United States, or its organized territories, and managers of the branches thereof, domestic and foreign;*

Executive officers of incorporated banks and trust companies in the insular possessions of the United States doing business under Federal charter or organized under Federal law;

Commanding officers of the Army, Navy, Marine Corps, and Coast Guard of the United States (*only for members of their respective services*);

Diplomatic and consular representatives of the United States on duty abroad, and those officers of the Navy and Marine Corps of the United States who have certain consular powers under the act approved April 25, 1935.

Certain officers of the United States Treasury at Washington."

D. W. BELL,  
*Acting Secretary of the Treasury.*

## SECURITIES GUARANTEED BY THE UNITED STATES

### Exhibit 35

*Partial redemption, before maturity, of 2¾ percent mutual mortgage insurance fund debentures, Series B (tenth call)*

[Department Circular No. 722. Public Debt]

TREASURY DEPARTMENT,  
*Washington, September 30, 1943.*

*To Holders of 2¾ Percent Mutual Mortgage Insurance Fund Debentures, Series B:*

#### I. NOTICE OF TENTH CALL FOR PARTIAL REDEMPTION, BEFORE MATURITY, OF 2¾ PERCENT MUTUAL MORTGAGE INSURANCE FUND DEBENTURES, SERIES B

The Federal Housing Commissioner, with the approval of the Secretary of the Treasury, has issued the following notice of call for partial redemption and offer to purchase with respect to 2¾ percent mutual mortgage insurance fund debentures, Series B:

"Pursuant to the authority conferred by the National Housing Act (48 Stat. 1246; U. S. C., title 12, sec. 1701 et seq.) as amended, public notice is hereby given that 2¾ percent mutual mortgage insurance fund debentures, Series B, of the denominations and serial numbers designated below, are hereby called for redemption, at par and accrued interest, on January 1, 1944, on which date interest on such debentures shall cease:

Denomination:	Serial numbers (all numbers inclusive)
\$50.....	1, 512 to 1, 542
\$100.....	5, 555 to 5, 709
\$500.....	1, 770 to 1, 805
\$1,000.....	6, 758 to 6, 917
\$5,000.....	486 to 507
\$10,000.....	50 to 55

"The debentures first issued, as determined by the serial numbers, were selected for redemption by the Commissioner, Federal Housing Administration, with the approval of the Secretary of the Treasury.

"No transfers or denominational exchanges in debentures covered by the foregoing call will be made on the books maintained by the Treasury Department on or after October 1, 1943. This does not affect the right of the holder of a debenture to sell and assign the debenture on or after October 1, 1943, and provision

will be made for the payment of final interest due January 1, 1944, with the principal thereof to the actual owner, as shown by the assignments thereon.

"The Commissioner of the Federal Housing Administration hereby offers to purchase any debentures included in this call at any time from October 1 to December 31, 1943, inclusive, at par and accrued interest, to date of purchase.

"Instructions for the presentation and surrender of debentures for redemption on or after January 1, 1944, or for purchase prior to that date will be given by the Secretary of the Treasury."

## II. TRANSACTIONS IN TENTH-CALLED DEBENTURES

1. The debentures included in the foregoing notice of call for partial redemption on January 1, 1944, are hereby designated tenth-called 2¾ percent mutual mortgage insurance fund debentures, Series B, and are hereinafter referred to as tenth-called debentures.

2. Transfers and denominational exchanges in tenth-called debentures will terminate at the close of business on September 30, 1943.

## III. REDEMPTION OR PURCHASE

1. Holders of tenth-called debentures will be entitled to have such debentures redeemed and paid at par on January 1, 1944, with interest in full to that date, at the rate of \$13.75 per \$1,000. Interest on tenth-called debentures will cease on January 1, 1944.

2. Holders of tenth-called debentures have the privilege of presenting such debentures at any time from October 1 to December 31, 1943, inclusive, for purchase at par and accrued interest, at the rate of \$0.074728 per \$1,000 per day from July 1, 1943, to date of purchase.

## IV. RULES AND REGULATIONS GOVERNING REDEMPTION AND PURCHASE

1. The United States Treasury Department is the agent of the Federal Housing Commissioner for the redemption and purchase of tenth-called debentures. In accordance with regulations adopted by the Federal Housing Commissioner and approved by the Secretary of the Treasury, the assignment, redemption, and purchase of tenth-called debentures will be governed by the general regulations of the Treasury Department with respect to United States bonds and notes, so far as applicable, except as otherwise provided herein.

2. Tenth-called debentures presented for redemption on January 1, 1944, or for purchase from October 1 to December 31, 1943, inclusive, must be assigned by the registered payee or assignee thereof or by their duly constituted representatives in the form indicated in paragraph 3 hereof, and should thereafter be presented and surrendered to any Federal Reserve Bank or to the Division of Loans and Currency, Treasury Department, Washington 25, D. C., accompanied by appropriate written advice. (Use Form PD 1894.) The debentures must be delivered at the expense and risk of the holders. (See paragraph 8 of this section.) In all cases checks in payment of principal and final interest will be mailed to the address given in the form of advice accompanying the debentures when surrendered.

3. If the registered payee or an assignee holding under proper assignment from the registered payee desires that payment be made to him, the debentures should be assigned by such payee or assignee or by a duly constituted representative to "The Federal Housing Commissioner for redemption" or to "The Federal Housing Commissioner for purchase," according to whether the debentures are to be presented for redemption on January 1, 1944, or for purchase prior to that date. If it is desired for any reason that payment be made to some other person without intermediate assignment, the debentures should be assigned to "The Federal Housing Commissioner for redemption (or purchase) for the account of -----," inserting the name and address of the person to whom payment is to be made.

4. An assignment in blank or other assignment having similar effect will be recognized, but in that event payment will be made to the person surrendering the debenture for redemption or purchase since, under such an assignment, the debenture becomes in effect payable to bearer. Assignments in blank or assignments having similar effect should be avoided, if possible, in order not to lose the protection afforded by registration.

5. Final interest on any tenth-called debentures, whether purchased prior to or redeemed on or after January 1, 1944, will be paid with the principal in accordance with the assignments on the debentures surrendered.

6. All assignments must be made on the debentures themselves unless otherwise directed by the Treasury Department. Detached assignments will be recognized and accepted in any particular case in which the use of detached assignments is specifically authorized by the Treasury Department. Any assignment not made upon the debenture is considered a detached assignment.

7. A tenth-called debenture registered in the name of, or assigned to, a corporation, will be paid to such corporation on or after January 1, 1944, upon an appropriate assignment for that purpose executed on behalf of the corporation by a duly authorized officer thereof. An assignment so executed and duly attested in accordance with Treasury Department regulations will ordinarily be accepted without proof of the officer's authority. In all cases coming under this provision payment will be made only by check drawn to the order of the corporation. Proof of the authority of the officer assigning on behalf of a corporation will be required, in accordance with the general regulations of the Treasury Department, in the case of assignments for purchase prior to January 1, 1944, and in case of assignments for redemption on or after January 1, 1944, for the account of any person other than the corporation.

8. Debentures presented for redemption or purchase under this circular must be delivered to a Federal Reserve Bank or to the Division of Loans and Currency, Treasury Department, Washington 25, D. C., at the expense and risk of the holder. Debentures bearing restricted assignments may be forwarded by registered mail, but debentures bearing unrestricted assignments should be forwarded by registered mail insured or by express prepaid.

9. In order to facilitate the redemption of tenth-called debentures on January 1, 1944, any such debenture may be presented and surrendered in the manner herein prescribed in advance of that date but not before December 1, 1943. Such early presentation by holders will insure prompt payment of principal and interest when due.

#### V. GENERAL PROVISIONS

1. Any further information which may be desired regarding the redemption of tenth-called debentures under this circular may be obtained from any Federal Reserve Bank or from the Division of Loans and Currency, Treasury Department, Washington 25, D. C., where copies of the Treasury Department's regulations governing assignments may be obtained.

2. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to perform any necessary acts under this circular. The Secretary of the Treasury may at any time or from time to time prescribe supplemental and amendatory rules and regulations governing the matters covered by this circular, which will be communicated promptly to the registered owners of tenth-called debentures.

D. W. BELL,  
*Acting Secretary of the Treasury.*

#### Exhibit 36

*Partial redemption, before maturity, of 2¾ percent mutual mortgage insurance fund debentures, Series B (eleventh call)*

[Department Circular No. 738. Public Debt]

TREASURY DEPARTMENT,  
*Washington, March 30, 1944.*

*To Holders of 2¾ Percent Mutual Mortgage Insurance Fund Debentures, Series B:*

#### I. NOTICE OF ELEVENTH CALL FOR PARTIAL REDEMPTION, BEFORE MATURITY, OF 2¾ PERCENT MUTUAL MORTGAGE INSURANCE FUND DEBENTURES, SERIES B

The Federal Housing Commissioner, with the approval of the Secretary of the Treasury, has issued the following notice of call for partial redemption and offer to purchase with respect to 2¾ percent mutual mortgage insurance fund debentures, Series B:

"Pursuant to the authority conferred by the National Housing Act (48 Stat. 1246; U. S. C., title 12, sec. 1701 et seq.) as amended, public notice is hereby given that 2¾ percent mutual mortgage insurance fund debentures, Series B, of the denominations and serial numbers designated below, are hereby called for

redemption, at par and accrued interest, on July 1, 1944, on which date interest on such debentures shall cease:

Denomination:	Serial numbers (all numbers inclusive)
\$50-----	1, 543 to 1, 555
\$100-----	5, 710 to 5, 765
\$500-----	1, 806 to 1, 823
\$1,000-----	6, 918 to 7, 007
\$5,000-----	508 to 514

"The debentures first issued, as determined by the serial numbers, were selected for redemption by the Commissioner, Federal Housing Administration, with the approval of the Secretary of the Treasury.

"No transfers or denominational exchanges in debentures covered by the foregoing call will be made on the books maintained by the Treasury Department on or after April 1, 1944. This does not affect the right of the holder of a debenture to sell and assign the debenture on or after April 1, 1944, and provision will be made for the payment of final interest due July 1, 1944, with the principal thereof to the actual owner, as shown by the assignments thereon.

"The Commissioner of the Federal Housing Administration hereby offers to purchase any debentures included in this call at any time from April 1, 1944, to June 30, 1944, inclusive, at par and accrued interest, to date of purchase.

"Instructions for the presentation and surrender of debentures for redemption on or after July 1, 1944, or for purchase prior to that date will be given by the Secretary of the Treasury."

## II. TRANSACTIONS IN ELEVENTH-CALLED DEBENTURES

1. The debentures included in the foregoing notice of call for partial redemption on July 1, 1944, are hereby designated eleventh-called 2½ percent mutual mortgage insurance fund debentures, Series B, and are hereinafter referred to as eleventh-called debentures.

2. Transfers and denominational exchanges in eleventh-called debentures will terminate at the close of business on March 31, 1944.

## III. REDEMPTION OR PURCHASE

1. Holders of eleventh-called debentures will be entitled to have such debentures redeemed and paid at par on July 1, 1944, with interest in full to that date, at the rate of \$13.75 per \$1,000. Interest on eleventh-called debentures will cease on July 1, 1944.

2. Holders of eleventh-called debentures have the privilege of presenting such debentures at any time from April 1 to June 30, 1944, inclusive, for purchase at par and accrued interest, at the rate of \$0.075549 per \$1,000 per day from January 1, 1944, to date of purchase.

## IV. RULES AND REGULATIONS GOVERNING REDEMPTION AND PURCHASE

1. The United States Treasury Department is the agent of the Federal Housing Commissioner for the redemption and purchase of eleventh-called debentures. In accordance with regulations adopted by the Federal Housing Commissioner and approved by the Secretary of the Treasury, the assignment, redemption, and purchase of eleventh-called debentures will be governed by the general regulations of the Treasury Department with respect to United States bonds and notes, so far as applicable, except as otherwise provided herein.

2. Eleventh-called debentures presented for redemption on July 1, 1944, or for purchase from April 1 to June 30, 1944, inclusive, must be assigned by the registered payee or assignee thereof or by their duly constituted representatives in the form indicated in paragraph 3 hereof, and should thereafter be presented and surrendered to any Federal Reserve Bank or to the Division of Loans and Currency, Treasury Department, Washington 25, D. C., accompanied by appropriate written advice. (Use Form PD 1920.) The debentures must be delivered at the expense and risk of the holders. (See par. 8 of this section.) In all cases checks in payment of principal and final interest will be mailed to the address given in the form of advice accompanying the debentures when surrendered.

3. If the registered payee or an assignee holding under proper assignment from the registered payee desires that payment be made to him, the debentures should

be assigned by such payee or assignee or by a duly constituted representative to "The Federal Housing Commissioner for redemption" or to "The Federal Housing Commissioner for purchase," according to whether the debentures are to be presented for redemption on July 1, 1944, or for purchase prior to that date. If it is desired for any reason that payment be made to some other person without intermediate assignment, the debentures should be assigned to "The Federal Housing Commissioner for redemption (or purchase) for the account of -----," inserting the name and address of the person to whom payment is to be made.

4. An assignment in blank or other assignment having similar effect will be recognized, but in that event payment will be made to the person surrendering the debenture for redemption or purchase since, under such an assignment, the debenture becomes in effect payable to bearer. Assignments in blank or assignments having similar effect should be avoided, if possible, in order not to lose the protection afforded by registration.

5. Final interest on any eleventh-called debentures, whether purchased prior to or redeemed on or after July 1, 1944, will be paid with the principal in accordance with the assignments on the debentures surrendered.

6. All assignments must be made on the debentures themselves unless otherwise directed by the Treasury Department. Detached assignments will be recognized and accepted in any particular case in which the use of detached assignments is specifically authorized by the Treasury Department. Any assignment not made upon the debenture is considered a detached assignment.

7. An eleventh-called debenture registered in the name of, or assigned to, a corporation, will be paid to such corporation on or after July 1, 1944, upon an appropriate assignment for that purpose executed on behalf of the corporation by a duly authorized officer thereof. An assignment so executed and duly attested in accordance with Treasury Department regulations will ordinarily be accepted without proof of the officer's authority. In all cases coming under this provision payment will be made only by check drawn to the order of the corporation. Proof of the authority of the officer assigning on behalf of a corporation will be required, in accordance with the general regulations of the Treasury Department, in the case of assignments for purchase prior to July 1, 1944, and in case of assignments for redemption on or after July 1, 1944, for the account of any person other than the corporation.

8. Debentures presented for redemption or purchase under this circular must be delivered to a Federal Reserve Bank or to the Division of Loans and Currency, Treasury Department, Washington 25, D. C., at the expense and risk of the holder. Debentures bearing restricted assignments may be forwarded by registered mail, but debentures bearing unrestricted assignments should be forwarded by registered mail insured or by express prepaid.

9. In order to facilitate the redemption of eleventh-called debentures on July 1, 1944, any such debenture may be presented and surrendered in the manner herein prescribed in advance of that date but not before June 1, 1944. Such early presentation by holders will insure prompt payment of principal and interest when due.

#### V. GENERAL PROVISIONS

1. Any further information which may be desired regarding the redemption of eleventh-called debentures under this circular may be obtained from any Federal Reserve Bank or from the Division of Loans and Currency, Treasury Department, Washington 25, D. C., where copies of the Treasury Department's regulations governing assignments may be obtained.

2. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to perform any necessary acts under this circular. The Secretary of the Treasury may at any time or from time to time prescribe supplemental and amendatory rules and regulations governing the matters covered by this circular, which will be communicated promptly to the registered owners of eleventh-called debentures.

D. W. BELL,  
*Acting Secretary of the Treasury.*

## Exhibit 37

*Partial redemption, before maturity, of 2¾ percent mutual mortgage insurance fund debentures, Series E (first call)*

[Department Circular No. 723. Public Debt]

TREASURY DEPARTMENT,  
Washington, September 30, 1943.*To Holders of 2¾ Percent Mutual Mortgage Insurance Fund Debentures, Series E:*I. NOTICE OF CALL FOR PARTIAL REDEMPTION, BEFORE MATURITY, OF 2¾ PERCENT  
MUTUAL MORTGAGE INSURANCE FUND DEBENTURES, SERIES E

The Federal Housing Commissioner, with the approval of the Secretary of the Treasury, has issued the following notice of call for partial redemption and offer to purchase with respect to 2¾ percent mutual mortgage insurance fund debentures, Series E:

"Pursuant to the authority conferred by the National Housing Act (48 Stat. 1246; U. S. C., title 12, sec. 1701 et seq.) as amended, public notice is hereby given that 2¾ percent mutual mortgage insurance fund debentures, Series E, of the denominations and serial numbers designated below, are hereby called for redemption, at par and accrued interest, on January 1, 1944, on which date interest on such debentures shall cease:

Denominations:	Serial numbers (all numbers inclusive)
\$50.....	1 to 15
\$100.....	1 to 66
\$500.....	1 to 16
\$1,000.....	1 to 78
\$5,000.....	1 to 4
\$10,000.....	1

"The debentures first issued, as determined by the serial numbers, were selected for redemption by the Commissioner, Federal Housing Administration, with the approval of the Secretary of the Treasury.

"No transfers or denominational exchanges in debentures covered by the foregoing call will be made on the books maintained by the Treasury Department on or after October 1, 1943. This does not affect the right of the holder of a debenture to sell and assign the debenture on or after October 1, 1943, and provision will be made for the payment of final interest due January 1, 1944, with the principal thereof to the actual owner, as shown by the assignments thereon.

"The Commissioner of the Federal Housing Administration hereby offers to purchase any debentures included in this call at any time from October 1 to December 31, 1943, inclusive, at par and accrued interest, to date of purchase.

"Instructions for the presentation and surrender of debentures for redemption on or after January 1, 1944, or for purchase prior to that date will be given by the Secretary of the Treasury."

## II. TRANSACTIONS IN CALLED DEBENTURES

1. The debentures included in the foregoing notice of call for partial redemption on January 1, 1944, are hereby designated called 2¾ percent mutual mortgage insurance fund debentures, Series E, and are hereinafter referred to as called debentures.

2. Transfers and denominational exchanges in called debentures will terminate at the close of business on September 30, 1943.

## III. REDEMPTION OR PURCHASE

1. Holders of called debentures will be entitled to have such debentures redeemed and paid at par on January 1, 1944, with interest in full to that date, at the rate of \$13.75 per \$1,000. Interest on called debentures will cease on January 1, 1944.

2. Holders of called debentures have the privilege of presenting such debentures at any time from October 1 to December 31, 1943, inclusive, for purchase at par and accrued interest, at the rate of \$0.074728 per \$1,000 per day from July 1, 1943, to date of purchase.



## IV. RULES AND REGULATIONS GOVERNING REDEMPTION AND PURCHASE

1. The United States Treasury Department is the agent of the Federal Housing Commissioner for the redemption and purchase of called debentures. In accordance with regulations adopted by the Federal Housing Commissioner and approved by the Secretary of the Treasury, the assignment, redemption, and purchase of called debentures will be governed by the general regulations of the Treasury Department with respect to United States bonds and notes, so far as applicable, except as otherwise provided herein.

2. Called debentures presented for redemption on January 1, 1944, or for purchase from October 1 to December 31, 1943, inclusive, must be assigned by the registered payee or assignee thereof or by their duly constituted representatives in the form indicated in paragraph 3 hereof, and should thereafter be presented and surrendered to any Federal Reserve Bank or to the Division of Loans and Currency, Treasury Department, Washington 25, D. C., accompanied by appropriate written advice. (Use Form PD 1895.) The debentures must be delivered at the expense and risk of the holders. (See par. 8 of this section.) In all cases checks in payment of principal and final interest will be mailed to the address given in the form of advice accompanying the debentures when surrendered.

3. If the registered payee or an assignee holding under proper assignment from the registered payee desires that payment be made to him, the debentures should be assigned by such payee or assignee or by a duly constituted representative to "The Federal Housing Commissioner for redemption" or to "The Federal Housing Commissioner for purchase," according to whether the debentures are to be presented for redemption on January 1, 1944, or for purchase prior to that date. If it is desired for any reason that payment be made to some other person without intermediate assignment, the debentures should be assigned to "The Federal Housing Commissioner for redemption (or purchase) for the account of -----," inserting the name and address of the person to whom payment is to be made.

4. An assignment in blank or other assignment having similar effect will be recognized, but in that event payment will be made to the person surrendering the debenture for redemption or purchase since, under such an assignment, the debenture becomes in effect payable to bearer. Assignments in blank or assignments having similar effect should be avoided, if possible, in order not to lose the protection afforded by registration.

5. Final interest on any called debentures, whether purchased prior to or redeemed on or after January 1, 1944, will be paid with the principal in accordance with the assignments on the debentures surrendered.

6. All assignments must be made on the debentures themselves unless otherwise directed by the Treasury Department. Detached assignments will be recognized and accepted in any particular case in which the use of detached assignments is specifically authorized by the Treasury Department. Any assignment not made upon the debenture is considered a detached assignment.

7. A called debenture registered in the name of, or assigned to, a corporation, will be paid to such corporation on or after January 1, 1944, upon an appropriate assignment for that purpose executed on behalf of the corporation by a duly authorized officer thereof. An assignment so executed and duly attested in accordance with Treasury Department regulations will ordinarily be accepted without proof of the officer's authority. In all cases coming under this provision payment will be made only by check drawn to the order of the corporation. Proof of the authority of the officer assigning on behalf of a corporation will be required, in accordance with the general regulations of the Treasury Department, in the case of assignments for purchase prior to January 1, 1944, and in case of assignments for redemption on or after January 1, 1944, for the account of any person other than the corporation.

8. Debentures presented for redemption or purchase under this circular must be delivered to a Federal Reserve Bank or to the Division of Loans and Currency, Treasury Department, Washington 25, D. C., at the expense and risk of the holder. Debentures bearing restricted assignments may be forwarded by registered mail, but debentures bearing unrestricted assignments should be forwarded by registered mail insured or by express prepaid.

9. In order to facilitate the redemption of called debentures on January 1, 1944, any such debenture may be presented and surrendered in the manner herein prescribed in advance of that date but not before December 1, 1943. Such early presentation by holders will insure prompt payment of principal and interest when due.

## V. GENERAL PROVISIONS

1. Any further information which may be desired regarding the redemption of called debentures under this circular may be obtained from any Federal Reserve Bank or from the Division of Loans and Currency, Treasury Department, Washington 25, D. C., where copies of the Treasury Department's regulations governing assignments may be obtained.

2. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to perform any necessary acts under this circular. The Secretary of the Treasury may at any time or from time to time prescribe supplemental and amendatory rules and regulations governing the matters covered by this circular, which will be communicated promptly to the registered owners of called debentures.

D. W. BELL,

*Acting Secretary of the Treasury.*

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### Exhibit 38

*Partial redemption, before maturity, of 2¾ percent mutual mortgage insurance fund debentures, Series E (second call)*

[Department Circular No. 739. Public Debt]

TREASURY DEPARTMENT,

*Washington, March 30, 1944.*

*To Holders of 2¾ Percent Mutual Mortgage Insurance Fund Debentures, Series E:*

#### I. NOTICE OF SECOND CALL FOR PARTIAL REDEMPTION, BEFORE MATURITY, OF 2¾ PERCENT MUTUAL MORTGAGE INSURANCE FUND DEBENTURES, SERIES E

The Federal Housing Commissioner, with the approval of the Secretary of the Treasury, has issued the following notice of call for partial redemption and offer to purchase with respect to 2¾ percent mutual mortgage insurance fund debentures, Series E:

"Pursuant to the authority conferred by the National Housing Act (48 Stat. 1246; U. S. C., title 12, sec. 1701 et seq.) as amended, public notice is hereby given that 2¾ percent mutual mortgage insurance fund debentures, Series E, of the denominations and serial numbers designated below, are hereby called for redemption, at par and accrued interest, on July 1, 1944, on which date interest on such debentures shall cease:

Denomination:	Serial numbers (all numbers inclusive)
\$50.....	16 to 21
\$100.....	67 to 83
\$500.....	17 to 20
\$1,000.....	79 to 96
\$5,000.....	5

"The debentures first issued, as determined by the serial numbers, were selected for redemption by the Commissioner, Federal Housing Administration, with the approval of the Secretary of the Treasury.

"No transfers or denominational exchanges in debentures covered by the foregoing call will be made on the books maintained by the Treasury Department on or after April 1, 1944. This does not affect the right of the holder of a debenture to sell and assign the debenture on or after April 1, 1944, and provision will be made for the payment of final interest due July 1, 1944, with the principal thereof to the actual owner, as shown by the assignments thereon.

"The Commissioner of the Federal Housing Administration hereby offers to purchase any debentures included in this call at any time from April 1, 1944, to June 30, 1944, inclusive, at par and accrued interest, to date of purchase.

"Instructions for the presentation and surrender of debentures for redemption on or after July 1, 1944, or for purchase prior to that date will be given by the Secretary of the Treasury."

## II. TRANSACTIONS IN SECOND-CALLED DEBENTURES

1. The debentures included in the foregoing notice of call for partial redemption on July 1, 1944, are hereby designated second-called 2¾ percent mutual mortgage insurance fund debentures, Series E, and are hereinafter referred to as second-called debentures.

2. Transfers and denominational exchanges in second-called debentures will terminate at the close of business on March 31, 1944.

## III. REDEMPTION OR PURCHASE

1. Holders of second-called debentures will be entitled to have such debentures redeemed and paid at par on July 1, 1944, with interest in full to that date, at the rate of \$13.75 per \$1,000. Interest on second-called debentures will cease on July 1, 1944.

2. Holders of second-called debentures have the privilege of presenting such debentures at any time from April 1 to June 30, 1944, inclusive, for purchase at par and accrued interest, at the rate of \$0.075549 per \$1,000 per day from January 1, 1944, to date of purchase.

## IV. RULES AND REGULATIONS GOVERNING REDEMPTION AND PURCHASE

1. The United States Treasury Department is the agent of the Federal Housing Commissioner for the redemption and purchase of second-called debentures. In accordance with regulations adopted by the Federal Housing Commissioner and approved by the Secretary of the Treasury, the assignment, redemption, and purchase of second-called debentures will be governed by the general regulations of the Treasury Department with respect to United States bonds and notes, so far as applicable, except as otherwise provided herein.

2. Second-called debentures presented for redemption on July 1, 1944, or for purchase from April 1 to June 30, 1944, inclusive, must be assigned by the registered payee or assignee thereof or by their duly constituted representatives in the form indicated in paragraph 3 hereof, and should thereafter be presented and surrendered to any Federal Reserve Bank or to the Division of Loans and Currency, Treasury Department, Washington 25, D. C., accompanied by appropriate written advice. (Use Form PD 1921.) The debentures must be delivered at the expense and risk of the holders. (See par. 8 of this section.) In all cases checks in payment of principal and final interest will be mailed to the address given in the form of advice accompanying the debentures when surrendered.

3. If the registered payee or an assignee holding under proper assignment from the registered payee desires that payment be made to him, the debentures should be assigned by such payee or assignee or by a duly constituted representative to "The Federal Housing Commissioner for redemption" or to "The Federal Housing Commissioner for purchase," according to whether the debentures are to be presented for redemption on July 1, 1944, or for purchase prior to that date. If it is desired for any reason that payment be made to some other person without intermediate assignment, the debentures should be assigned to "The Federal Housing Commissioner for redemption (or purchase) for the account of-----", inserting the name and address of the person to whom payment is to be made.

4. An assignment in blank or other assignment having similar effect will be recognized, but in that event payment will be made to the person surrendering the debenture for redemption or purchase since, under such an assignment, the debenture becomes in effect payable to bearer. Assignments in blank or assignments having similar effect should be avoided, if possible, in order not to lose the protection afforded by registration.

5. Final interest on any second-called debentures, whether purchased prior to or redeemed on or after July 1, 1944, will be paid with the principal in accordance with the assignments on the debentures surrendered.

6. All assignments must be made on the debentures themselves unless otherwise directed by the Treasury Department. Detached assignments will be recognized and accepted in any particular case in which the use of detached assignments is specifically authorized by the Treasury Department. Any assignment not made upon the debenture is considered a detached assignment.

7. A second-called debenture registered in the name of, or assigned to, a corporation, will be paid to such corporation on or after July 1, 1944, upon an appropriate assignment for that purpose executed on behalf of the corporation by a duly authorized officer thereof. An assignment so executed and duly attested in

accordance with Treasury Department regulations will ordinarily be accepted without proof of the officer's authority. In all cases coming under this provision payment will be made only by check drawn to the order of the corporation. Proof of the authority of the officer assigning on behalf of a corporation will be required, in accordance with the general regulations of the Treasury Department, in the case of assignments for purchase prior to July 1, 1944, and in case of assignments for redemption on or after July 1, 1944, for the account of any person other than the corporation.

8. Debentures presented for redemption or purchase under this circular must be delivered to a Federal Reserve Bank or to the Division of Loans and Currency, Treasury Department, Washington 25, D. C., at the expense and risk of the holder. Debentures bearing restricted assignments may be forwarded by registered mail, but debentures bearing unrestricted assignments should be forwarded by registered mail insured or by express prepaid.

9. In order to facilitate the redemption of second-called debentures on July 1, 1944, any such debenture may be presented and surrendered in the manner herein prescribed in advance of that date but not before June 1, 1944. Such early presentation by holders will insure prompt payment of principal and interest when due.

#### V. GENERAL PROVISIONS

1. Any further information which may be desired regarding the redemption of second-called debentures under this circular may be obtained from any Federal Reserve Bank or from the Division of Loans and Currency, Treasury Department, Washington 25, D. C., where copies of the Treasury Department's regulations governing assignments may be obtained.

2. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to perform any necessary acts under this circular. The Secretary of the Treasury may at any time or from time to time prescribe supplemental and amendatory rules and regulations governing the matters covered by this circular, which will be communicated promptly to the registered owners of second-called debentures.

D. W. BELL,  
*Acting Secretary of the Treasury.*

### MONETARY DEVELOPMENTS

#### Exhibit 39

*Revised draft, dated July 10, 1943, of the Treasury's tentative proposal for an international stabilization fund of the United and Associated Nations*

PRESS RELEASE, AUGUST 20, 1943, RELATIVE TO THE REVISED DRAFT OF THE TREASURY'S TENTATIVE PROPOSAL FOR AN INTERNATIONAL STABILIZATION FUND

Secretary Morgenthau made public today a revised draft of the Treasury's tentative proposal for an international stabilization fund of the United and Associated Nations.

The revised draft was prepared by technical experts of the Treasury in cooperation with experts of other departments. The revision followed exploratory discussions that have been going on for more than two months between the monetary experts of this Government and the monetary experts of nearly thirty countries. While suggestions of representatives of other countries have been included in the revised draft, Secretary Morgenthau pointed out that it does not necessarily reflect the views of the experts of any other countries.

The exploratory technical discussions in Washington have been held in response to an invitation Secretary Morgenthau sent late last March to the finance ministers of the United Nations, enclosing for their examination a preliminary draft of the Treasury's tentative proposal. The finance ministers were requested to submit the draft for study by their technical experts and to send their experts to Washington to discuss the feasibility of international monetary cooperation along the suggested lines.

Secretary Morgenthau said the exploratory discussions have been extremely helpful in clarifying the views widely held by the experts of the United Nations.

"I believe the technical experts are unanimous in their view that international monetary cooperation is essential if we are to avoid the collapse of some monetary

systems, to prevent the disruption of foreign exchanges and to facilitate the restoration and balanced growth of international trade," he said.

There will be further discussions with the representatives of other countries who are expected to arrive during the month, Secretary Morgenthau said. He said that no conference would be called until he had had an opportunity to consult with the congressional committees.

"This revised draft," he said, "is in every sense still a preliminary document. It has not received the official approval either of the Treasury or of this Government."

Secretary Morgenthau pointed out that he is keeping the appropriate committees of the Senate and the House fully informed of the discussions. On April 5 and 6, 1943, Mr. Morgenthau appeared before three committees of the Senate and three committees of the House to explain the proposal for an international stabilization fund. Mr. Morgenthau said he intended to appear before the appropriate committees of the Senate and the House soon after Congress convenes to consult with them further on the proposal.

"Treasury officials," Mr. Morgenthau said, "are arranging discussions with representative public groups to explain what we are doing, and to get their suggestions. There will be a conference of officers and directors of several Federal Reserve Banks in Chicago next week at which proposals for post-war stabilization of currency will be fully discussed."

The Secretary indicated that similar conferences will be held with other Federal Reserve Banks.

Within the next few weeks Treasury officials will hold conferences with the Advisory Council of the American Bankers Association, the New York City banks, and other representative banking groups. Arrangements are also being made for meetings with members of the Foreign Trade Council and other organizations representing businessmen engaged in foreign trade.

Secretary Morgenthau said the Treasury had received a large number of letters regarding the proposal, many of them embodying interesting suggestions. All of these letters are being carefully considered.

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#### PRELIMINARY DRAFT OUTLINE OF A PROPOSAL FOR AN INTERNATIONAL STABILIZATION FUND, REVISED JULY 10, 1943

##### FOREWORD BY SECRETARY OF THE TREASURY MORGENTHAU

When the United Nations have brought this war to a successful conclusion, they will be faced with many urgent international economic and financial problems. Some of these are new problems arising directly from this war; others are continuing consequences of failure to solve the problems that have been with us since the last war. The solution of these problems is essential to the development of a sound economic foundation for world peace and prosperity.

All of the important international economic and financial problems are closely interrelated. Monetary stabilization, commercial policy, the provision of long-term international credit, promotion of stability in the prices of primary products, and arrangements for relief and rehabilitation are problems that join at innumerable points. Nevertheless, because of their complexity, they must be taken up separately, although each in turn must be integrated with the rest.

It is generally recognized that monetary stability and protection against discriminatory currency practices are essential bases for the revival of international commerce and finance. For this reason, an appropriate starting point might well be the consideration of post-war international monetary problems. Success in dealing with international monetary problems in the post-war period will contribute toward final solution of the other international financial and economic problems. Despite the technical difficulties involved, the common interest which all countries have in the solution of post-war monetary problems provides a basis for agreement.

It is still too soon to know the precise form and magnitude of post-war monetary problems. But it is certain that we shall be confronted with three inseparable monetary tasks: to prevent the disruption of foreign exchanges, to avoid the collapse of monetary systems, and to facilitate the restoration and balanced growth of international trade. Clearly, such formidable problems can be successfully handled only through international action.

The creation of instrumentalities adequate to deal with the inevitable post-war monetary problems should not be postponed until the end of hostilities. It would be ill-advised, if not dangerous, to leave ourselves unprepared at the end

of the war for the difficult task of international monetary cooperation. Specific and practical proposals must be formulated by the experts and must be carefully considered by the policy-shaping officials of the various countries. In each country acceptance of a definitive plan can follow only upon legislative or executive action. And even when a plan is finally adopted, much time will be consumed in preparation before an international institution for monetary cooperation can begin effective work.

There is another important reason for initiating now concrete discussions of specific proposals. A plan for international monetary cooperation can be a factor in winning the war. It has been suggested, and with much cogency, that the task of assuring the defeat of the Axis powers would be made easier if the victims of aggression could have greater assurance that a victory of the United Nations will not mean in the economic sphere a repetition of the exchange instability and monetary collapse that followed the last war. The people in all of the United Nations must be given some assurance that there will not again be two decades of post-war economic disruption. The people must know that we at last recognize the fundamental truth that the prosperity of each country is closely linked to the prosperity of other countries.

One of the appropriate agencies to deal with international economic and monetary problems would be an international stabilization fund with resources and powers adequate to the task of helping to achieve monetary stability and of facilitating the restoration and balanced growth of international trade. A proposal along these lines was drafted by American technical experts and made public on April 7, 1943. There have been informal discussions on this draft in which nearly thirty countries have participated. These discussions have shown that all countries think joint action in this field is necessary for the reconstruction of the world economy.

It is recognized that an international stabilization fund is only one of the instrumentalities which may be needed in the field of international economic cooperation. Other agencies may be needed to provide long-term international credit for post-war reconstruction and development, to provide funds for rehabilitation and relief, and to promote stability in the prices of primary international commodities. There is a strong inclination on the part of some to entrust to a single agency the responsibility for dealing with these and other international economic problems. We believe, however, that an international economic institution can operate most effectively if it is not burdened with diverse duties of a specialized character.

Although an international stabilization fund can provide the facilities for cooperation on monetary questions, the establishment of such an institution would not of itself assure the solution of these difficult problems. The operations of such a fund can be successful only if the powers and resources of the fund are used wisely, and if member countries cooperate with the fund's endeavors to maintain international equilibrium at a high level of international trade. Such cooperation must include commercial policies designed to reduce trade barriers and to terminate discriminatory practices that have in the past hampered the balanced growth of international trade. The nations of this world can be prosperous only if they are good neighbors in their economic as well as their political relations.

The draft proposals that have been put forward on a tentative basis have received wide publicity in the United States, the United Kingdom, Canada, and in other countries. It is in the best democratic tradition that the people should have the fullest opportunity to express their views and to shape the policies of their governments on the important problems affecting national well-being. And it is an extension of this tradition that all the United Nations should have an opportunity to participate in the formulation of a program for international monetary cooperation.

This revised draft is published with the hope that it will call forth further comments and constructive suggestions. It aims to present only the essential elements of a workable international stabilization fund, and its provisions are in every sense tentative. Obviously, there are many details that have been omitted and that can be better formulated after there is agreement on the more important points. We believe that a workable and acceptable plan can emerge only from the joint efforts of the United Nations supported by enlightened public opinion.

## PREAMBLE

1. There is a growing recognition that progress toward establishment of a functioning democratic world in the post-war period will depend on the ability of free peoples to work together in solving their economic problems. Not the least of these is the problem of how to prevent a widespread breakdown of currencies with resultant international economic disorder. We must assure a troubled world that the free countries will solve these perplexing problems, and that they will not resort to competitive exchange depreciation, multiple currency practices, discriminatory bilateral clearing, or other destructive foreign exchange devices.

2. These are not transitory problems of the immediate post-war period affecting only a few countries. The history of the past two decades shows that they are continuing problems of vital interest to all countries. There must be a general realization that world prosperity, like world peace, is indivisible. Nations must act together to restore multilateral international trade, and to provide orderly procedure for the maintenance of balanced economic growth. Only through international cooperation will it be possible for countries successfully to apply measures directed toward attaining and maintaining a high level of employment and income which must be the primary objective of economic policy.

3. The international stabilization fund of the United and Associated Nations is proposed as a permanent institution for international monetary cooperation. The resources of this fund would be available under adequate safeguards to maintain currency stability, while giving member countries time to correct maladjustments in their balance of payments without resorting to extreme measures destructive of international prosperity. The resources of the fund would not be used to prolong a basically unbalanced international position. On the contrary, the fund would be influential in inducing countries to pursue policies making for an orderly return to equilibrium.

4. The fund would deal only with member governments and their fiscal agents, and would not intrude in the customary channels for conducting international commerce and finance. The fund is intended to provide supplemental facilities for the successful functioning of the established foreign exchange institutions and to free international commerce from harmful restrictions.

5. The success of the fund must ultimately depend upon the willingness of nations to act together on their common problems. International monetary cooperation should not be regarded as a matter of generosity. All countries have a vital interest in the maintenance of international monetary stability, and in the balanced growth of multilateral international trade.

## I. PURPOSES OF THE FUND

The United Nations and the countries associated with them recognize, as declared in the Atlantic Charter, the need for the fullest cooperation among nations with the object of securing economic advancement and rising standards of living for all. They believe that attainment of these objectives will be facilitated by international monetary cooperation. Therefore, it is proposed that there be established an international stabilization fund with the following purposes:

1. To help stabilize the foreign exchange rates of the currencies of the United Nations and the countries associated with them.

2. To shorten the periods and lessen the degree of disequilibrium in the international balance of payments of member countries.

3. To help create conditions under which the smooth flow of foreign trade and of productive capital among the member countries will be fostered.

4. To facilitate the effective utilization of the blocked foreign balances accumulating in some countries as a consequence of the war situation.

5. To reduce the use of such foreign exchange restrictions, bilateral clearing arrangements, multiple currency devices, and discriminatory foreign exchange practices as hamper world trade and the international flow of productive capital.

## II. COMPOSITION OF THE FUND

1. The fund shall consist of gold and the currencies and securities of member governments.

2. Each of the member countries shall subscribe a specified amount, to be called its *quota*. The aggregate of quotas of the member countries shall be the equivalent of at least \$5 billion.

3. Each member country shall meet its quota contribution in full on or before the date set by the board of directors for the fund's operations to begin.

(a) A country shall pay in gold not less than an amount determined as follows. If its gold and free foreign exchange holdings are—

(i) In excess of three times its quota, it shall pay in gold 50 percent of its quota.

(ii) More than two but less than three times its quota, it shall pay in gold 40 percent of its quota plus 10 percent of its holdings in excess of twice its quota.

(iii) More than its quota but less than twice its quota, it shall pay in gold 30 percent of its quota plus 10 percent of its holdings in excess of its quota.

(iv) Less than its quota, it shall pay in gold 30 percent of its holdings.

The gold payment required of a member country substantial parts of whose home areas have been wholly or partly occupied by the enemy, shall be only three-fourths of the above. (For other gold provisions, Cf. V-2-a and V-6, 7.)

A member country may include in the legal reserve account and in the published statement of the reserves of gold and foreign exchange in its treasury or central bank, an amount not to exceed its gold contribution to the fund, minus its net purchases of foreign exchange from the fund paid for with local currency.

(b) It shall pay the remainder of its quota in local currency, except that a member country may substitute government securities (redeemable at par) for local currency up to 50 percent of its quota.

4. A quota for each member country shall be computed by an agreed upon formula which gives due weight to the important relevant factors, *e. g.*, a country's holdings of gold and free foreign exchange, the magnitude and the fluctuations of its balance of international payments, its national income, etc.

Before computing individual quotas on the basis of the agreed upon formula, there shall be reserved an amount equal to 10 percent of aggregate quotas to be used as a special allotment for the equitable adjustment of quotas. Where the initial quota of a member country as computed by the formula is clearly inequitable, the quota may be increased from this special allotment.

5. Quotas shall be adjusted on the basis of the most recent data 3 years after the establishment of the fund, and at intervals of 5 years thereafter, in accordance with the agreed upon formula. In the period between adjustment of quotas, the fund may increase the quota of a country, where it is clearly inequitable, out of the special allotment reserved for the equitable adjustment of quotas.

6. Any changes in the formula by which the quotas of member countries are determined shall be made only with the approval of a four-fifths vote of the board.

7. No increase shall be made in the quota of a member country under II-4, 5, or 6 without the consent of the representative of the country concerned.

8. The resources of the fund shall be used exclusively for the benefit of the member countries.

### III. MONETARY UNIT OF THE FUND

1. The monetary unit of the fund shall be the *unitas* (UN) equal in value to 137½ grains of fine gold (equivalent to \$10). No change in the gold value of the *unitas* shall be made except with the approval of 85 percent of the member votes. When such change is made, the gain or loss sustained by the fund on its holdings of gold shall be distributed equitably among the members of the fund.

The accounts of the fund shall be kept and published in terms of *unitas*.

2. The value of the currency of each member country shall be established in terms of *unitas* and may not be altered except as provided in IV-5, below. (Cf. IV-1, 2, below.)

No member country shall purchase or acquire gold, directly or indirectly, at a price in terms of its national currency in excess of the parity which corresponds to the value of its currency in terms of *unitas* and to the value of *unitas* in terms of gold; nor shall any member country sell or dispose of gold, directly or indirectly, at a price in terms of its national currency below the parity which corresponds to the value of its currency in terms of *unitas* and to the value of *unitas* in terms of gold. (Cf. VII-1.)

3. No change in the value of the currencies of member countries shall be permitted to alter the value in *unitas* of the assets of the fund. Whenever the currency of a member country has depreciated to a significant extent, that country must deliver to the fund when requested an amount of its local currency or securities equal to the decrease in the *unitas* value of the fund's holdings of the local



currency and securities of the country. Likewise, if the currency of a member country should appreciate to a significant extent, the fund must return to that country an amount (in the currency or securities of that country) equal to the resulting increase in the unitas value of the fund's holdings.

#### IV. EXCHANGE RATES

1. The rates at which the fund will buy and sell one member currency for another and at which the fund will buy and sell gold for local currency shall be established in accordance with the provisions below. (Cf. also III-2 and V-2.)

2. The initial rates of exchange for member countries' currencies shall be determined as follows:

(a) For any country which becomes a member prior to the date on which the fund's operations begin, the rates initially used by the fund shall be based upon the value of the currency in terms of United States dollars which prevailed on July 1, 1943.

If, in the judgment of either the member country or the fund, the above rate is clearly inappropriate, the initial rate shall be determined by consultation between the member country and the fund. No operations in such currency shall be undertaken by the fund until a rate has been established which has the approval of the fund and of the member country in question.

(b) For any member country which has been occupied by the enemy, the fund shall use the exchange rate fixed by the government of the liberated country in consultation with the fund and acceptable to the fund. Prior to the fixing of a definitive rate, operations in such currency may be undertaken by the fund with the approval of the board at a tentative rate of exchange fixed by the member country in consultation with the board. No operations shall be continued under this provision for more than 3 months after the liberation of the country or when the local currency holdings of the fund exceed the quota of the country, except that under special circumstances the period and the amount of such operations may be extended by the fund.

3. The fund shall not come into operation until agreement has been reached on the exchange rates for currencies of countries representing a majority of the aggregate quotas.

4. The fund shall determine the range within which the rates of exchange of member currencies shall be permitted to fluctuate. (Cf. VII-1.)

5. Changes in the exchange value of the currency of a member country shall be considered only when essential to the correction of fundamental disequilibrium in its balance of payments, and shall be made only with the approval of three-fourths of the member votes including the representative of the country concerned.

Because of the extreme uncertainties of the immediate post-war period, the following exceptional provisions may be used during the first 3 years of the fund's operations:

(a) When the existing rate of exchange of a member country is clearly inconsistent with the maintenance of a balanced international payments position for that country, changes from the established rate may be made at the special request of that country and with the approval of a majority of the member votes.

(b) A member country may change the established rate for its currency by not more than 10 percent provided that the member country shall notify the fund of its intention and shall consult with the fund on the advisability of its action.

#### V. POWERS AND OPERATIONS

1. The fund shall have the power to buy, sell and hold gold, currencies, and government securities of member countries; to earmark and transfer gold; to issue its own obligations, and to offer them for discount or sale in member countries.

The fund shall purchase for local currency or needed foreign exchange any member currency in good standing acquired by another member country in settlement of a balance of payments on current account, where such currency cannot be disposed of in the foreign exchange markets within the range established by the fund.

2. The fund may sell to the treasury of any member country (or stabilization fund or central bank acting as its agent) at the accepted rate of exchange, currency of any member country which the fund holds, provided that:

(a) The foreign exchange demanded from the fund is required to meet an adverse balance of payments predominantly on current account with any member country. (Cf. V-3, for capital transfers.)

When the gold and free foreign exchange holdings of a member country exceed 50 percent of its quota, the fund in selling foreign exchange to such member country shall require that one-half of such exchange shall be paid for with gold or foreign exchange acceptable to the fund. (Cf. V-6, 7; on gold collateral, see V-2-c.)

(b) The fund's total holdings of the currency and securities of any member country shall not exceed the quota of such country by more than 50 percent during the first year of operation of the fund, and thereafter shall not exceed such quota by more than 100 percent (except as otherwise provided below). The total holdings thus permitted are termed the *permissible quota* of a country. When the fund's holdings of local currency and securities are equal to the permissible quota of a country, the fund may sell foreign exchange for such additional local currency only with the specific approval of the board of directors (cf. VI-3-a, below), and provided that at least one of the following two conditions is met:

(i) In the judgment of the fund satisfactory measures are being or will be taken by the country whose currency is acquired by the fund, to correct the disequilibrium in the country's balance of payments; or

(ii) It is believed that the balance of payments of the country whose currency is acquired by the fund will be such as to warrant the expectation that the excess currency holdings of the fund can be disposed of within a reasonable time:

*Provided further*, That when the fund's holdings of the currency of any member country or countries fall below 20 percent of their respective quotas, the sale of such currencies shall also require the approval of the representatives of these countries.

(c) When the fund's holdings of local currency and securities exceed the permissible quota of a country, the board may require the member country to deposit collateral in accordance with regulations prescribed by the board. Such collateral shall take the form of gold, foreign or domestic currency or government bonds, or other suitable collateral within the capacity of the member country.

(d) When, in the judgment of the fund, a member country, whose currency and securities held by the fund exceed its quota, is exhausting its permissible quota more rapidly than is warranted, or is using its permissible quota in a manner that clearly has the effect of preventing or unduly delaying the establishment of a sound balance in its international accounts, the fund may place such conditions upon additional sales of foreign exchange to that country as it deems to be in the general interest of the fund.

3. The fund may sell foreign exchange to a member country, under conditions prescribed by the fund, to facilitate a transfer of capital, or repayment or adjustment of foreign debts, when in the judgment of the board such a transfer is desirable from the point of view of the general international economic situation, provided the fund's holdings of the currency and securities of the member country do not exceed 150 percent of the quota of that country. When the fund's holdings of the local currency and securities of a member country exceed 150 percent of the quota of that country, the fund may, in exceptional circumstances, sell foreign exchange to the member country for the above purposes with the approval of three-fourths of the member votes. (Cf. V-2-a, above; on voting, VI-3-a, below.)

4. When the fund's holdings of the currency and securities of a member country become excessively small in relation to prospective acquisitions and needs for that currency, the fund shall render a report to that country. The report shall embody an analysis of the causes of the depletion of the fund's holdings of that currency, a forecast of the prospective balance of payments in the absence of special measures and, finally, recommendations designed to increase the fund's holdings of that currency. The representative of the country in question shall be a member of the fund committee appointed to draft the report. This report shall be sent to all member countries and, if deemed desirable, be made public. Member countries agree that they will give immediate and careful attention to recommendations made by the fund.

5. Whenever it becomes evident to the board of directors that the anticipated demand for any particular currency may soon exhaust the fund's holdings of that currency, the fund shall inform the member countries of the probable supply of the currency and of a proposed method for its equitable distribution, together with suggestions for helping to equate the anticipated demand for and supply of that currency.

The fund shall make every effort to increase the supply of the scarce currency by acquiring that currency from the foreign balances of member countries. The

fund may make special arrangements with any member country for the purpose of providing an emergency supply under appropriate conditions which are acceptable to both the fund and the member country.

To facilitate appropriate adjustment in the balance of payments position of member countries, and to help correct the distortions in the pattern of trade balances, the fund shall apportion its sales of such scarce currency. In such apportionment, it shall be guided by the principle of satisfying the most urgent needs from the point of view of the general international economic situation. It shall also consider the special needs and resources of the particular countries making the request for the scarce currency.

The right of any member country to acquire an amount of other currencies equal to its permissible quota shall be limited by the necessity of assuring an appropriate distribution among the various members of any currency the supply of which is scarce.

6. In order to promote the most effective use of the available and accumulating supply of foreign exchange resources of member countries, each member country agrees that it will offer to sell to the fund, for its local currency or for foreign currencies which the member country needs, one-half of the foreign exchange resources and gold it acquires in excess of its official holdings at the time it became a member of the fund, but no country need sell gold or foreign exchange under this provision unless its official holdings (*i. e.*, treasury, central bank, stabilization fund, etc.) are in excess of 25 percent of its quota. For the purpose of this provision, only free and liquid foreign exchange resources and gold shall be considered. The fund may accept or reject the offer. (Cf. II-3-a, V-2-a, and V-7.)

To help achieve this objective each member country agrees to discourage the excessive accumulation of foreign exchange resources and gold by its nationals. The fund shall inform any member country when, in its opinion, any further growth of privately held foreign exchange resources and gold appears unwarranted.

7. When the fund's holdings of the local currency and securities of a member country exceed the quota of that country, the fund shall, upon request of the member country, resell to the member country the fund's excess holdings of the currency of that country for gold or acceptable foreign exchange. (Cf. V-14, for charges on holdings in excess of quota.)

8. To buy from the governments of member countries, blocked foreign balances held in other member countries, provided all the following conditions are met:

(a) The blocked balances are held in member countries and are reported as such (for the purpose of this provision) by the member governments and are verified by the fund.

(b) The member country selling the blocked balances to the fund agrees to transfer these balances to the fund and to repurchase from the fund 40 percent of them (at the same price) with gold or such free currencies as the fund may wish to accept, at the rate of 2 percent of the transferred balances each year for 20 years beginning not later than 3 years after the date of transfer.

(c) The country in which the blocked balances are held agrees to transfer to the fund the balances described in (b) above, and to repurchase from the fund 40 percent of them (at the same price) with gold or such free currencies as the fund may wish to accept, at the rate of 2 percent of the transferred balances each year for 20 years beginning not later than 3 years after the date of transfer.

(d) A charge of 1 percent on the amount of blocked balances sold to the fund, payable in gold, shall be levied against the country selling its blocked balances and against the country in which the balances are held. In addition a charge of not less than one percent, payable in gold, shall be levied annually against each country on the amount of such balances remaining to be purchased by it.

(e) If the country selling blocked balances to the fund asks for foreign exchange rather than local currency, the request will not be granted unless the country needs the foreign exchange for the purpose of meeting an adverse balance of payments not arising from the acquisition of gold, the accumulation of foreign balances, or other capital transactions.

(f) Either country may, at its option, increase the amount it repurchases annually. But, in the case of the country selling blocked balances to the fund, not more than 2 percent per annum of the original sum taken over by the fund shall become free, and only after 3 years shall have elapsed since the sale of the balances to the fund.

(g) The fund has the privilege of disposing of any of its holdings of blocked balances as free funds after the 23-year period is passed, or sooner under the following conditions:

(i) Its holdings of the free funds of the country in which the balances are held fall below 20 percent of its quota; or

(ii) The approval is obtained of the country in which the balances are held.

(h) The country in which the blocked balances are held agrees not to impose any restrictions on the use of the installments of the 40 percent portion gradually repurchased by the country which sold the balances to the fund.

(i) The fund agrees not to sell the blocked balances acquired under the above authority, except with the permission or at the request of the country in which the balances are being held. The fund may invest these balances in the ordinary or special government securities of that country. The fund shall be free to sell such securities in any country under the provisions of V-11, below.

(j) The fund shall determine from time to time the maximum proportion of the blocked balances it will purchase under this provision:

*Provided, however,* That during the first 2 years of its operation, blocked balances purchased by the fund shall not exceed in the aggregate 10 percent of the quotas of all member countries. At the end of 2 years of operation, the fund shall propose a plan for the gradual further liquidation of blocked balances still outstanding indicating the proportion of the blocked balances which the board considers the fund can appropriately purchase.

Blocked balances acquired under this provision shall not be included either in computing the amount of foreign exchange available to member countries under their quotas (cf. V-2, 3), or in computing charges on balances of local currency in excess of the quotas (cf. V-14).

9. To buy and sell currencies of non-member countries but shall not acquire more than \$10 million of the currency of any one non-member country nor hold such currencies beyond 60 days after date of purchase except with the approval of the board.

10. To borrow the currency of any member country provided the additional amount is needed by the fund and provided the representative of that country approves.

11. To sell member-country obligations owned by the fund provided that the representatives of the country issuing the securities and of the country in which the securities are to be sold approve, except that the approval of the representative of the issuing country shall not be necessary if the obligations are to be sold in its own market.

To use its holdings to obtain rediscounts or advances from the central bank of any country whose currency the fund needs.

12. To invest any of its currency holdings in government securities of the country of that currency provided that the representative of the country approves.

13. To lend to any member country its local currency from the fund for 1 year or less up to 75 percent of the currency of that country held by the fund, provided the local currency holdings of the fund are not reduced below 20 percent of the quota.

14. To make a service charge on all gold and exchange transactions.

To levy a charge uniform to all countries, at a rate not less than 1 percent per annum, payable in gold, against any country on the amount of its currency held by the fund in excess of the quota of that country. An additional charge, payable in gold, shall be levied by the fund against any member country on the fund's holdings of its currency in excess of the permissible quota of that country.

In case the fund finds it necessary to borrow currency to meet the demands of its members, an additional charge, payable in gold, shall be made by the fund sufficient to cover the cost of the borrowing.

15. To levy upon member countries a *pro rata* share of the expenses of operating the fund, payable in local currency, not to exceed one-tenth percent per annum of the quota of each country. The levy may be made only to the extent that the earnings of the fund are inadequate to meet its current expenses.

16. The fund shall deal only with or through—

(a) The treasuries, stabilization funds, or central banks acting as fiscal agents of member governments.

(b) Any international banks owned predominantly by member governments.

The fund may, nevertheless, with the approval of the representatives of the governments of the countries concerned, sell its own securities, or securities it holds, directly to the public or to institutions of member countries.

## VI. MANAGEMENT

1. The administration of the fund shall be vested in a board of directors. Each government shall appoint a director and an alternate, in a manner determined by it, who shall serve for a period of 5 years, subject to the pleasure of their government. Directors and alternates may be reappointed.

2. In all voting by the board, the director or alternate of each member country shall be entitled to cast an agreed upon number of votes.

The distribution of *basic votes* shall be closely related to the quotas of member countries, although not in precise proportion to the quotas. An appropriate distribution of basic voting power would seem to be the following: Each country shall have 100 votes, plus 1 vote for the equivalent of each 100,000 units (\$1 million) of its quota.

No country shall be entitled to cast more than one-fifth of the aggregate basic votes, regardless of its quota.

3. All voting shall be according to basic votes except as follows:

(a) In voting on proposals to authorize the sale of foreign exchange, each country shall cast a number of votes modified from its basic vote:

(i) By the addition of one vote for each \$2 million of net sales of its currency by the fund (adjusted for its net transactions in gold), and

(ii) By the subtraction of one vote for each \$2 million of its net purchases of foreign exchange from the fund (adjusted for its net transactions in gold)

(b) In voting on proposals to suspend or restore membership, each member country shall cast one vote, as provided in VI-11, below.

4. All decisions, except where specifically provided otherwise, shall be made by a majority of the member votes.

5. The board of directors shall select a managing director of the fund and one or more assistants. The managing director shall become an *ex officio* member of the board and shall be chief of the operating staff of the fund. The operating staff shall be selected in accordance with regulations established by the board of directors.

6. The board of directors shall appoint from among its members an executive committee of not less than 11 members. The chairman of the board shall be chairman of the executive committee, and the managing director of the fund shall be an *ex officio* member of the executive committee.

The executive committee shall be continuously available at the head office of the fund and shall exercise the authority delegated to it by the board. In the absence of any member of the executive committee, his alternate shall act in his place. Members of the executive committee shall receive appropriate remuneration.

7. The board of directors may appoint such other committees as it finds necessary for the work of the fund. It may also appoint advisory committees chosen wholly or partially from persons not employed by the fund.

8. The board of directors may at any meeting authorize any officers or committees of the fund to exercise any specified powers of the board not requiring more than a majority vote.

The board may delegate any authority to the executive committee, provided that the delegation of powers requiring more than a majority of the member votes can be authorized only by a majority (of the board) of the same size as specified, and can be exercised by the executive committee only by like majority.

Delegated powers shall be exercised only until the next meeting of the board and in a manner consistent with the general policies and practices of the board.

9. The board of directors may establish procedural regulations governing the operations of the fund. The officers and committees of the fund shall be bound by such regulations.

10. The board of directors shall hold an annual meeting and such other meetings as it may be desirable to convene. The annual meeting shall be held in places designated by the executive committee, but not more than one annual meeting in any 5-year period shall be held within the same member country.

On request of member countries casting one-fourth of the votes, the chairman shall call a meeting of the board for the purpose of considering any matters placed before it.

11. A country failing to meet its obligations to the fund may be suspended provided a majority of the member countries so decides. While under suspension, the country shall be denied the privileges of membership but shall be subject to the same obligations as any other member of the fund. At the end of 1 year the country shall be automatically dropped from membership unless it has been restored to good standing by a majority of the member countries.

Any country may withdraw from the fund by giving notice, and its withdrawal will take effect 1 year from the date of such notice. During the interval between notice of withdrawal and the taking effect of the notice, such country shall be subject to the same obligations as any other member of the fund.

A country which is dropped or which withdraws from the fund shall have returned to it an amount in its own currency equal to its contributed quota, plus other obligations of the fund to the country, and minus any sum owed by that country to the fund. Any losses of the fund may be deducted *pro rata* from the contributed quota to be returned to the country that has been dropped or has withdrawn from membership. Local currency holdings of the fund in excess of the above shall be repurchased by that country with gold or foreign exchange acceptable to the fund.

When any country is dropped or withdraws from membership, the rights of the fund shall be fully safeguarded. The obligations of a country to the fund shall become due at the time it is dropped or withdraws from membership; but the fund shall have 5 years within which to liquidate its obligations to such country.

12. Net profits earned by the fund shall be distributed in the following manner:

(a) Fifty percent to reserves until the reserves are equal to 10 percent of the aggregate quotas of the fund.

(b) Fifty percent to be divided each year among the members in proportion to their quotas. Dividends distributed to each country shall be paid in its own currency or in gold at the discretion of the fund.

#### VII. POLICIES OF MEMBER COUNTRIES

Each member country of the fund undertakes the following:

1. To maintain by appropriate action exchange rates established by the fund on the currencies of other countries, and not to alter exchange rates except as provided in IV-5, above.

Exchange rates of member countries may be permitted to fluctuate within the specified range fixed by the fund.

2. Not to engage in exchange dealings with member or non-member countries that will undermine stability of exchange rates established by the fund.

3. To abandon, as soon as the member country decides that conditions permit, all restrictions (other than those involving capital transfers) over foreign exchange transactions with other member countries, and not to impose any additional restrictions (except upon capital transfers) without the approval of the fund.

The fund may make representations to member countries that conditions are favorable for the abandonment of restrictions over foreign exchange transactions, and each member country shall give consideration to such representations.

All member countries agree that all of the local currency holdings of the fund shall be free from any restrictions as to their use. This provision does not apply to blocked foreign balances acquired by the fund in accordance with the provisions of V-8, above.

4. To cooperate effectively with other member countries when such countries, with the approval of the fund, adopt or continue controls for the purpose of regulating international movements of capital. Cooperation shall include, upon recommendation by the fund, measures that can appropriately be taken, such as:

(a) Not to accept or permit acquisition of deposits, securities, or investments by nationals of any member country imposing restrictions on the export of capital except with the permission of the government of that country and the fund;

(b) To make available to the fund or to the government of any member country such information as the fund considers necessary on property in the form of deposits, securities, and investments of the nationals of the member country imposing the restrictions.

5. Not to enter upon any new bilateral clearing arrangements, nor engage in multiple currency practices, which in the judgment of the fund would retard the growth of world trade or the international flow of productive capital.

6. To give consideration to the views of the fund on any existing or proposed monetary or economic policy, the effect of which would be to bring about sooner or later a serious disequilibrium in the balance of payments of other countries.

7. To furnish the fund with all information it needs for its operations and to furnish such reports as the fund may require in the form and at the times requested by the fund.

8. To adopt appropriate legislation or decrees to carry out its undertakings to the fund.

**Exhibit 40***Tentative proposal for a bank for reconstruction and development of the United and Associated Nations***STATEMENT OF THE SECRETARY OF THE TREASURY, NOVEMBER 23, 1943, RELATIVE TO THE TENTATIVE PROPOSAL FOR A BANK FOR RECONSTRUCTION AND DEVELOPMENT**

When the Treasury made public the tentative proposal for an international stabilization fund, I said that we were studying means of encouraging and facilitating international investment for reconstruction and development. A few weeks ago I appeared before the congressional committees and summarized for them the principles which we believe should guide us in the establishment of a United Nations bank for reconstruction and development.

The technical staffs of the Treasury and other interested departments and agencies have now prepared a tentative proposal for such a bank. This tentative proposal is being sent to the finance ministers of the United Nations and the countries associated with them, for consideration and for study by their technical staffs. The finance ministers have been informed that this tentative proposal does not represent the official views of this Government but it is an indication of the views held by our technical staffs.

We are releasing for publication the tentative proposal for a United Nations bank for reconstruction and development and a covering memorandum on the problem of international investment. These two documents, sent to the finance ministers, are being released to make them available for public discussion. It is our intention to discuss the tentative proposal with business, banking, and other interested groups in this country.

The technical staffs of the Treasury and other departments of this Government are of the opinion that an international stabilization fund and a bank for reconstruction and development could help provide a sound financial foundation on which private enterprise can build a prosperous world economy.

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**PRELIMINARY DRAFT OUTLINE DATED NOVEMBER 24, 1943, OF A PROPOSAL FOR A BANK FOR RECONSTRUCTION AND DEVELOPMENT****FOREWORD BY SECRETARY OF THE TREASURY MORGENTHAU**

One of the important international economic and financial problems which will confront the United Nations at the end of the war will be the unprecedented need for foreign capital. In the areas devastated by war or plundered and ravaged by the enemy, factories and mines, public utilities and railroads, public buildings and public works will have to be repaired or restored. In most of the United Nations, industries now producing war goods will require capital for reconversion to peacetime production and in many areas of the world, large investment will be needed for industrial, agricultural, and commercial development.

Countries whose productive capacities have been seriously impaired by war will find that their industries cannot provide the capital goods and their people cannot provide the savings required for investment in reconstruction. Most nonindustrial countries will of necessity be dependent upon foreign capital to acquire the funds for the purchase of machinery, equipment, and other capital goods necessary for development. And even in those countries where a considerable part of the need for capital can be met locally, there will be some need for foreign capital to supplement the funds that can be raised at home.

With the return of an assured peace, private financial agencies may be expected to supply most of the needed short-term foreign capital. When the shipping situation is improved and peacetime industry here and abroad has recovered, many business firms will be eager to sell their products abroad on reasonable and even generous credit terms. And banks likewise will hasten to expand their foreign business, reopening and establishing branches abroad, and assisting in the financing of international trade.

It is not unreasonable to expect that with the return of peace there will also be a gradual resumption of long-term international investment, particularly through the establishment of foreign branch plants and the acquisition of shares in established foreign enterprises. With the growth of confidence in monetary stability,

foreign investments will gradually assume the form of publicly floated loans to governments and municipalities, and to public utilities and other industries.

This flow of private capital to war stricken countries will be encouraged by an adequate program of international relief and rehabilitation which helps to restore quickly to a working basis the economic life of those countries. Another, and possibly even more important, stimulus to foreign investment would be the existence of an international agency, such as the international stabilization fund, designed to promote stability of foreign exchange rates and freedom from restrictions on the withdrawal of earnings. Such an agency could do much to enhance the attractiveness of foreign investments.

While there will undoubtedly be substantial amounts of long-term foreign investment even in the early post-war period, the flow of capital to countries greatly in need of foreign capital is likely to be inadequate for many years to come. Private capital will understandably hesitate to venture abroad in anything like the required volume. It has suffered too many losses from war, from depreciating currencies, from exchange restrictions, and from failures and defaults. There is little evidence to justify the hope that in the years immediately after the war investors will lend the large sums that can be economically used in foreign countries unless steps are taken to restore confidence in foreign investment.

It would be desirable to encourage in every way, the provision of capital for sound and productive purposes through private investment channels, and to the extent that private investment is inadequate, to provide supplemental facilities. The problem is fundamentally an international problem and only an international agency equipped with broad powers and large resources can effectively encourage private capital to flow abroad in adequate amounts and provide a part of the capital not otherwise available.

The primary aim of such an agency should be to encourage private capital to go abroad for productive investment by sharing the risks of private investors and by participating with private investors in large ventures. The provision of some of the capital needed for reconstruction and development, where private capital is unable to take the risk, is intended to remain secondary in the operations of such an agency. It should, of course, scrupulously avoid undertaking loans that private investors are willing to make on reasonable terms. It should perform only that part of the task which private capital cannot do alone.

The need for foreign capital will be so great and the provision of adequate capital so important that it would be extremely short-sighted to neglect this urgent international problem. If private capital should suffice there would then be little for an international agency to do, beyond encouraging private investment. If, however, private capital were to prove unable fully to meet the needs, then such an international agency would be able to fill the breach until private capital again flowed freely and the demand for foreign capital throughout the world became less urgent.

It is imperative that we recognize that the investment of productive capital in undeveloped and in capital-needy countries means not only that those countries will be able to supply at lower costs more of the goods the world needs, but that they will at the same time become better markets for the world's goods. By investing in countries in need of capital, the lending countries, therefore, help themselves as well as the borrowing countries. If the capital made available to foreign countries would not otherwise have been currently employed, and if it is used for productive purposes, then the whole world is truly the gainer. Foreign trade everywhere will be increased; the real cost of producing the goods the world consumes will be lowered; and the economic well-being of the borrowing and lending countries will be raised.

One great contribution that the United Nations can make to sustained peace and world-wide prosperity is to make certain that adequate capital is available on reasonable terms for productive uses in capital-poor countries. With abundant capital, the devastated countries can move steadily toward rehabilitation and a constantly improving standard of living. Nothing could be more conducive to political stability and to international collaboration. Without adequate supplies of capital, however, recovery in Europe and Asia will be slow and sporadic, and economic discontent and international bitterness will in time assume disturbing proportions.

Accompanying this memorandum is a draft proposal for a bank for reconstruction and development of the United and Associated Nations. The draft was prepared by the technical staff of the United States Treasury in consultation with the technical staffs of other departments of this Government. The proposal has neither official status nor the approval of any department of this Government.



It is in outline form, touching on the more important points, and is intended only to stimulate thoughtful discussion of the problem in the hope that such discussion will call forth constructive criticism, suggestions, and alternative proposals for possible later submission to the appropriate authorities and to the public.

A United Nations bank for reconstruction and development is proposed as another international agency needed to help attain and maintain world-wide prosperity after the war. It is designed as a companion agency to an international stabilization fund. Each agency could stand and function effectively without the other; but the establishment of such a bank would make easier the task of an international stabilization fund, and the successful operation of such a fund would enhance the effectiveness of the bank.

#### PREAMBLE

1. The provision of foreign capital will be one of the important international economic and financial problems of the post-war period. Many countries will require capital for reconstruction, for the conversion of their industries to peacetime needs, and for the development of their productive resources. Others will find that foreign investment provides a growing market for their goods. Sound international investment will be of immense benefit to the lending as well as to the borrowing countries.

2. Even in the early post-war years it may be hoped that a considerable part of the capital for international investment will be provided through private investment channels. It will undoubtedly be necessary, however, to encourage private investment by assuming some of the risks that will be especially large immediately after the war and to supplement private investment with capital provided through international cooperation. The United Nations bank for reconstruction and development is proposed as a permanent institution to encourage and facilitate international investment for sound and productive purposes.

3. The bank is intended to cooperate with private financial agencies in making available long-term capital for reconstruction and development and to supplement such investment where private agencies are unable to meet fully the legitimate needs for capital for productive purposes. The bank would make no loans or investments that could be secured from private investors on reasonable terms. The principal function of the bank would be to guarantee and to participate in loans made by private investment agencies and to lend directly from its own resources whatever additional capital may be needed. The facilities of the bank would be available only for approved governmental and business projects which have been guaranteed by national governments. Operating under these principles, the bank should be a powerful factor in encouraging the provision of private capital for international investment.

4. By making certain that capital is available for productive uses on reasonable terms, the bank can make an important contribution to enduring peace and prosperity. With adequate capital, countries affected by the war can move steadily toward reconstruction, and the newer countries can undertake the economic development of which they are capable. International investment for these purposes can be a significant factor in expanding trade and in helping to maintain a high level of business activity throughout the world.

#### I. THE PURPOSES OF THE BANK

1. To assist in the reconstruction and development of member countries by cooperating with private financial agencies in the provision of capital for sound and constructive international investment.

2. To provide capital for reconstruction and development, under conditions which will amply safeguard the bank's funds, when private financial agencies are unable to supply the capital needed for such purposes on reasonable terms consistent with the borrowing policies of member countries.

3. To facilitate a rapid and smooth transition from a wartime economy to a peacetime economy by increasing the flow of international investment, and thus to help avoid serious disruption of the economic life of member countries.

4. To assist in raising the productivity of member countries by helping to make available through international collaboration long-term capital for the sound development of productive resources.

5. To promote the long-range balanced growth of international trade among member countries.

## II. CAPITAL STRUCTURE OF THE BANK

1. The authorized capital shall be equivalent to about \$10 billion consisting of shares having a par value equal to \$100,000.

2. The shares of the bank shall be nontransferable, nonassessable, and non-taxable. The liability on shares shall be limited to the unpaid portion of the subscription price.

3. Each government which is a member of the international stabilization fund shall subscribe to a minimum number of shares to be determined by a formula to be agreed upon. The formula shall take into account such relevant data as the national income and the international trade of the member country.

Such a formula would make the subscription of the United States approximately one-third of the total.

4. Payments on subscriptions to the shares of the bank shall be made as follows:

(a) The initial payment of each member country shall be 20 percent of its subscription, some portion of which (not to exceed 20 percent) shall be in gold and the remainder in local currency. The proportions to be paid in gold and local currency shall be graduated according to a schedule to be agreed upon which shall take into account the adequacy of the gold and free foreign exchange holdings of each member country.

(b) The member countries shall make the initial payment within 60 days after the date set for the operations of the bank to begin. The remainder of their respective subscriptions shall be paid in such amounts and at such times as the board of directors may determine, but not more than 20 percent of the subscription may be called in any one year.

(c) Calls for further payment on subscriptions shall be uniform on all shares, and no calls shall be made unless funds are needed for the operations of the bank. The proportion of subsequent payments to be made in gold shall be determined by the schedule in II-4-a as it applies to each member country at the time of each call.

5. A substantial part of the subscribed capital of the bank shall be reserved in the form of unpaid subscriptions as a surety fund for the securities guaranteed by the bank or issued by the bank.

6. When the cash resources of the bank are substantially in excess of prospective needs, the board may return, subject to future call, uniform proportions of the subscriptions. When the local currency holdings of the bank exceed 20 percent of the subscription of any member country, the board may arrange to repurchase with local currency some of the shares held by such a country.

7. Each member country agrees to repurchase each year part of its currency held by the bank amounting to not more than 2 percent of its paid subscription, paying for it with gold: *Provided, however, That:*

(a) This requirement may be generally suspended for any year by a three-fourths vote of the board.

(b) No country shall be required to repurchase local currency in any given year in excess of one-half of the addition to its official holdings of gold during the preceding year.

(c) The obligation of a member country to repurchase its local currency shall be limited to the amount of the local currency paid on its subscription.

8. All member countries agree that all of the local currency holdings and other assets of the bank located in their countries shall be free from any special restrictions as to their use, except such restrictions as are consented to by the bank, and subject to IV-13, below.

9. The resources and the facilities of the bank shall be used exclusively for the benefit of member countries.

## III. THE INTERNATIONAL MONETARY UNIT

1. The monetary unit of the bank shall be the unit of the international stabilization fund (137½ grains of fine gold, that is, equivalent to \$10 U. S.).

2. The bank shall keep its accounts in terms of this unit. The local currency assets of the bank are to be guaranteed against any depreciation in their value in terms of gold.

## IV. POWERS AND OPERATIONS

1. To achieve the purposes stated in Section I, the bank may guarantee, participate in, or make loans to any member country and through the government of such country to any of its political subdivisions or to business or industrial enterprises therein under conditions provided below.

(a) The payment of interest and principal is fully guaranteed by the national government.

(b) The borrower is otherwise unable to secure the funds from other sources, even with the national government's guarantee of repayment, under conditions which in the opinion of the bank are reasonable.

(c) A competent committee has made a careful study of the merits of the project or the program and, in a written report, concludes that the loan would serve directly or indirectly to raise the productivity of the borrowing country and that the prospects are favorable to the servicing of the loan. The majority of the committee making the report shall consist of members of the technical staff of the bank. The committee shall include an expert selected by the country requesting the loan, who may or may not be a member of the technical staff of the bank.

(d) The bank shall make arrangements to assure the use of the proceeds of any loan which it guarantees, participates in, or makes for the purposes for which the loan was approved.

(e) The bank shall guarantee, participate in, or make loans only at reasonable rates of interest with a schedule of repayment appropriate to the character of the project and the balance of payments prospects of the country of the borrower.

2. In accordance with the provisions in IV-1, above, the bank may guarantee, in whole or in part, loans made by private investors: *Provided, further:*

(a) The rate of interest and other conditions of the loan are reasonable.

(b) The bank is compensated for its risk in guaranteeing the loan.

3. The bank may participate in loans placed through the usual investment channels, provided that all the conditions listed under IV-1 above are met except that the rate of interest may be higher than if the loans were guaranteed by the bank.

4. The bank may encourage and facilitate international investment in equity securities by securing the guarantee by governments of conversion into foreign exchange of the current earnings of such foreign held investments. In promoting this objective the bank may also participate in such investments, but its aggregate participation in such equity securities shall not exceed 10 percent of its paid-in capital.

5. The bank may publicly offer any securities it has previously acquired. To facilitate the sale of such securities, the bank may, in its discretion, guarantee them.

6. The bank shall make no loans or investments that can be placed through the usual private investment channels on reasonable terms. The bank shall by regulation prescribe procedure for its operations that will assure the application of this principle.

7. The bank shall impose no condition upon a loan as to the particular member country in which the proceeds of the loan must be spent: *Provided, however,* That the proceeds of a loan may not be spent in any country which is not a member country without the approval of the bank.

8. The bank in making loans shall provide that:

(a) The foreign exchange in connection with the project or program shall be provided by the bank in the currencies of the countries in which the proceeds of the loan will be spent, and only with the approval of such countries.

(b) The local currency needs in connection with the project shall be largely financed locally without the assistance of the bank.

(c) In special circumstances, where the bank considers that the local part of any project cannot be financed at home except on very unreasonable terms, it can lend that portion to the borrower in local currency.

(d) Where the developmental program will give rise to an increased need for foreign exchange for purposes not directly needed for that program, yet resulting from the program, the bank will provide an appropriate part of the loan in gold or desired foreign exchange.

9. When a loan is made by the bank, it shall credit the account of the borrower with the amount of the loan. Payment shall be made from this account to meet drafts covering audited expenses.

10. Loans participated in or made by the bank shall contain the following payment provisions:

(a) Payment of interest on loans shall be made in currencies acceptable to the bank or in gold. Interest will be payable only on amounts withdrawn.

(b) Payment on account of principal of a loan shall be in currencies acceptable to the bank or in gold. If the bank and the borrower should so agree at the time a loan is made, payment on principal may be in gold, or at the option of the borrower, in the currency actually borrowed.

(c) In the event of an acute exchange stringency the bank may accept local currency in payment of interest and principal for periods not exceeding three years. The bank shall arrange with the borrowing country for the repurchase of such local currency over a period of years under appropriate terms that safeguard the value of the bank's holdings of such currency.

(d) Payments of interest and principal, whether made in member currencies or in gold, must be equivalent to the gold value of the loan and of the contractual interest thereon.

11. The bank may levy a charge against the borrower for its expenses in investigating any loan placed, guaranteed, participated in, or made in whole or in part by the bank.

12. The bank may guarantee, participate in, or make loans to international governmental agencies for objectives consonant with the purposes of the bank, provided that at least one-half of the participants in the international agencies are members of the bank.

13. In considering any application to guarantee, participate in, or make a loan to a member country, the bank shall give due regard to the effect of such a loan on business and financial conditions in the country in which the loan is to be spent and shall, accordingly, obtain the consent of the country affected.

14. At the request of the countries in which portions of the loan are spent, the bank will repurchase for gold or needed foreign exchange a part of the local currency proceeds of the loan expended by the borrower in those countries.

15. With the approval of the representatives of the governments of the member countries involved, the bank may engage in the following operations:

(a) It may issue, buy or sell, pledge, or discount any of its own securities and obligations, or securities and obligations taken from its portfolio, or securities which it has guaranteed.

(b) It may borrow from member governments, fiscal agencies, central banks, stabilization funds, private financial institutions in member countries, or from international financial agencies.

(c) It may buy or sell foreign exchange, after consultation with the international stabilization fund, where such transactions are necessary in connection with its operations.

16. The bank may act as agent or correspondent for the governments of member countries, their central banks, stabilization funds and fiscal agencies, and for international financial institutions.

The bank may act as trustee, registrar, or agent in connection with loans guaranteed, participated in, made, or placed through the bank.

17. Except as otherwise indicated, the bank shall deal only with or through.

(a) The governments of member countries, their central banks, stabilization funds, and fiscal agencies.

(b) The international stabilization fund and any other international financial agencies owned predominantly by member governments.

The bank may, nevertheless, with the approval of the member of the board representing the government of the country concerned, deal with the public or institutions of member countries in the bank's own securities or securities which it has guaranteed.

18. If the bank shall declare any country as suspended from membership, the member governments and their agencies agree not to extend financial assistance to that country without approval of the bank until the country has been restored to membership.

19. The bank and its officers shall scrupulously avoid interference in the political affairs of any member country. This provision shall not limit the right of an officer of the bank to participate in the political life of his own country.

The bank shall not be influenced in its decisions with respect to applications for loans by the political character of the government of the country requesting a loan.

#### V. MANAGEMENT

1. The administration of the bank shall be vested in a board of directors composed of one director and one alternate appointed by each member government in a manner to be determined by it.

The director and alternate shall serve for a period of 3 years, subject to the pleasure of their government. Directors and alternates may be reappointed.

2. Voting by the board shall be as follows:

(a) The director or alternate of each member country shall be entitled to cast 1,000 votes plus one vote for each share of stock held. Thus, a government

owning one share will cast 1,001 votes, while a government owning 1,000 shares will cast 2,000 votes.

(b) No country shall cast more than 25 percent of the aggregate votes.

(c) Except where otherwise provided, decisions of the board of directors shall be by simple majority of the votes cast, each member of the board casting the votes allotted to his government. When deemed to be in the best interests of the bank, decisions of the board may be made, without a meeting, by polling the directors on specific questions submitted to them in such manner as the board shall by regulation provide.

3. The board of directors shall select a president of the bank, who shall be the chief of the operating staff of the bank and *ex-officio* a member of the board, and one or more vice presidents. The president and vice presidents of the bank shall hold office for 4 years, shall be eligible for reelection and may be removed for cause at any time by the board. The staff of the bank shall be selected in accordance with regulations established by the board of directors.

4. The board of directors shall appoint from among its members an executive committee of not more than nine members. The president of the bank shall be an *ex-officio* member of the executive committee.

The executive committee shall be continuously available at the head office of the bank and shall exercise the authority delegated to it by the board. In the absence of any member of the executive committee his alternate on the board shall act in his place. Members of the executive committee shall receive appropriate remuneration.

5. The board of directors shall select an advisory council of seven members. The council shall advise with the board and the officers of the bank on matters of general policy. The council shall meet annually and on such other occasions as the board may request.

The members of the advisory council shall be selected from men of outstanding ability, but not more than one member shall be selected from the same country. They shall serve for 2 years, and the term of any member may be renewed. Members of the council shall be paid their expenses and a remuneration to be fixed by the board.

6. The board of directors may appoint such other committees as it finds necessary for the work of the bank. It may also appoint advisory committees chosen wholly or partially from persons not regularly employed by the bank.

7. The board of directors may authorize any officers or committees of the bank to exercise any specified powers of the board except the powers to guarantee, participate in, or make loans. Delegated powers shall be exercised in a manner consistent with the general policies and practices of the board.

The board may by a three-fourths vote delegate to the executive committee the power to guarantee, participate in, or make loans in such amounts as may be fixed by the board. In passing upon applications for loans, the executive committee shall act in accordance with the requirements specified for each type of loan.

8. A member country failing to meet its financial obligations to the bank may be declared in default and may be suspended from membership during the period of its default, provided that a majority of the member countries so decides.

While under suspension, the country shall be denied the privileges of membership but shall be subject to the obligations of membership. At the end of 1 year the country shall be dropped automatically from membership in the bank unless it has been restored to good standing by a majority of the member countries.

If a member country elects to withdraw or is dropped from the bank, its shares of stock shall, if the bank has a surplus, be repurchased at the price paid. If the bank's books show a loss, such country shall bear a proportionate share of the loss. The bank shall have 5 years in which to liquidate its obligations to a member country withdrawing or dropped from the bank.

Any member country that withdraws or is dropped from the international stabilization fund shall lose its membership in the bank unless three-fourths of the member votes favor its remaining as a member.

9. The yearly net profits shall be applied as follows:

(a) All profits shall be distributed in proportion to shares held, except that one-fourth of the profits shall be applied to surplus until the surplus equals 20 percent of the subscribed capital.

(b) Profits shall be payable in a country's local currency or in gold at the option of the bank.

10. The bank shall collect and make available to member countries and to the international stabilization fund financial and economic information and reports relating to the operations of the bank.

Member countries shall furnish the bank with all information and data that would facilitate the operations of the bank.

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### Exhibit 41

#### *Statements on, and summary of recommendations for, an international monetary fund of the United and Associated Nations*

STATEMENT OF THE SECRETARY OF THE TREASURY, APRIL 21, 1944, BEFORE THE SENATE COMMITTEES ON FOREIGN RELATIONS AND BANKING AND CURRENCY, AND THE SPECIAL SENATE COMMITTEE ON POST-WAR ECONOMIC POLICY AND PLANNING, AND BEFORE THE HOUSE OF REPRESENTATIVES COMMITTEE ON FOREIGN AFFAIRS, WAYS AND MEANS, BANKING AND CURRENCY, AND COINAGE, WEIGHTS AND MEASURES, AND THE SPECIAL HOUSE COMMITTEE ON POST-WAR ECONOMIC POLICY AND PLANNING

I am happy to tell you today that technical experts of the United Nations have agreed upon a set of basic principles for an international monetary fund. This is a great step forward. It is of greatest importance to all of us who believe that the nations of the world can cooperate in dealing with international economic problems.

Technicians representing some of these thirty nations have prepared a joint statement of the principles which are agreed upon. This statement does not, of course, bind any government to participate in the international monetary fund, though it does mean that the fund will be recommended to each of the governments as a practical means of meeting post-war monetary problems.

I want to call particular attention to some of the facts contained in this joint statement, but before I do that I should like to review with you some of the things that have happened since I appeared before these committees on October 5 of last year. At that time, I told you I would like to keep you informed of progress, and accordingly I appreciate this opportunity to bring you up to date.

Since I last talked to you, we have discussed the principles of the international stabilization and investment program with bankers, labor representatives, and other interested groups in Washington, Chicago, Boston, Philadelphia, New York, and other cities. Out of these meetings came helpful suggestions, many of which were incorporated in our plans.

The vast majority of those with whom we have talked are inclined to look favorably upon the principle of cooperation to maintain stable and orderly exchange rates. Informed opinion seems to point to private investment on a world-wide basis as vital to post-war recovery and reconstruction; and the stabilization of currencies among the United Nations through the medium of an international fund, is generally believed to be a necessary prerequisite to this investment. I believe we cannot expect American businessmen, nor businessmen of any nation, to take major financial risks, immediately upon the heels of a catastrophic global war, without some assurance that steps have been taken to prevent their investments from being jeopardized by unduly fluctuating money values and severe exchange restrictions.

Having studied the world picture after the last war, we are all agreed that an effort must be made to prevent, insofar as possible, harmful fluctuations of currency; and to prohibit deliberate manipulation of currencies in an effort to secure unfair competitive advantage in world trade.

When I was here on October 5, I spoke of a projected international bank for reconstruction and development.

Because discussions on the bank were initiated somewhat later they are not yet completely finished. I can tell you, however, that there is considerable support for the general principles embodied in the world bank, and that good progress has been made.

Those with whom we have discussed the problem of reviving post-war international investment regard the bank as essential to the expansion of international trade and the maintenance of a high level of business activity. They believe it necessary to take steps to encourage and aid private investors in providing an adequate volume of long-term investment capital for productive purposes.

The discussions we have had contemplate the establishment of a bank for reconstruction and development to facilitate long-term investment capital through private financial agencies by guaranteeing and participating in loans made by private investors. The bank would also supplement investment of private

financial agencies if this becomes necessary, by lending for productive purposes from its own resources when private capital is otherwise not available on reasonable terms.

A full statement of recommendations on the establishment of such a bank and of the principles on which such a bank should be based is still in preparation by technicians. It is my hope that this statement will soon be completed and that it will be issued later. Before it is published, I shall fully inform your committees.

Now I should like to explain briefly some of the principles upon which the technicians are agreed in connection with the international monetary fund.

Here are the purposes and policies as set forth in the joint statement:

(1) To promote international monetary cooperation through a permanent institution which provides the machinery for consultation on international monetary problems.

(2) To facilitate the expansion and balanced growth of international trade and to contribute in this way to the maintenance of a high level of employment and real income, which must be a primary objective of economic policy.

(3) To give confidence to member countries by making the fund's resources available to them under adequate safeguards, thus giving members time to correct maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity.

(4) To promote exchange stability, to maintain orderly exchange arrangements among member countries, and to avoid competitive exchange depreciation.

(5) To assist in the establishment among member countries of multilateral payments facilities on current transactions and to aid in the elimination of foreign exchange restrictions which hamper the growth of world trade.

(6) To shorten the periods and lessen the degree of disequilibrium in the international balance of payments of member countries.

The joint statement recommends that all of the United and Associated Nations subscribe approximately \$8 billion to the fund in the form of gold and local currency. The resources of the fund would be available under adequate safeguards to help member countries to maintain exchange stability and to correct maladjustments in their balance of payments. Member countries would be able to buy foreign exchange from the fund with their own currencies, to the extent of their quotas, in order to meet international payments consistent with the purposes of the fund.

The par value of currencies of member countries would be expressed in gold and could be changed only at the request of member countries after consultation and approval of the fund. The fund would approve a requested change in parity only if it were essential to correct a fundamental disequilibrium. Prompt consideration would be given to requests for necessary adjustment of exchange rates. Member countries would not allow their exchange rates to fluctuate outside a narrow range based on the agreed gold parity.

Voting power in the fund would be closely related to quotas. A member country could withdraw from the fund immediately by giving notice in writing, and obligations would be liquidated within a reasonable time.

During the period of transition following the war, member countries would be permitted to retain their exchange controls with the expectation that these would gradually be relaxed.

I am frank to say that in my opinion the agreement of the technical experts to these principles constitutes a long step on the way toward preventing a breakdown of currencies and the imposition and retention of restrictive and discriminatory exchange measures after the war. Through international cooperation now, we can assure a stable and orderly pattern of post-war exchange rates.

The purposes set forth in this joint statement have long been the international monetary policies of the United States. For years it has been our objective to have these policies adopted by other countries. We know of no better way of assuring general adherence to these policies than through international cooperation in an international monetary fund.

We believe that it is of the greatest importance that all of the United Nations are in agreement on the best means to deal with these international financial problems after the war. This is concrete evidence that the United Nations can and will work together in establishing a peaceful and prosperous world just as they are now fighting together to destroy tyranny and oppression.

International cooperation on monetary and financial matters is the keystone of successful cooperation on all international economic problems. Unless we agree to expand world trade and develop the world economy, few other economic agreements which we might make will or can be effective.

The tentative proposals that have been under discussion by the technical experts are part of a program for cooperation on international economic problems among the United Nations. The objectives of this program are the expansion and development of international trade, the restoration of international investment for productive purposes, the maintenance of stable and orderly exchanges. Through these means we can contribute to a high level of employment and production. The establishment of an international monetary fund and a bank for reconstruction and development are important steps in the attainment of the objectives of this broad program.

I want to emphasize again that the discussions up to now have all been of a technical nature and exploratory in character. Whatever has been done represents the views of the technical experts of this country and of other countries that have been studying these questions. The United States is not in any way committed until Congress has taken action.

It is my hope that after studying the recommendations of the technical experts the governments of the United Nations will come to the conclusion that there is sufficient basis of agreement at a technical level to warrant the convening of a formal conference.

I am happy to say that the President has authorized me to state that if a conference is held it is his intention to invite direct congressional participation in the work of the United States delegation.

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#### JOINT STATEMENT BY EXPERTS, APRIL 21, 1944, ON THE ESTABLISHMENT OF AN INTERNATIONAL MONETARY FUND

##### FOREWORD BY SECRETARY OF THE TREASURY MORGENTHAU

The publication of the joint statement of the recommendations of the experts on an international monetary fund is concrete evidence that the United Nations can and will cooperate in establishing a peaceful and prosperous world.

It is a matter of gratification that the agreement of the experts on principles for international monetary cooperation was reached in harmony with the best traditions of democracy. Tentative proposals prepared by the technical experts of the United States, the United Kingdom and Canada were published and widely distributed. In this country, the representatives of the Treasury and of other departments discussed the tentative proposals with interested groups in Washington, Chicago, Boston, St. Louis, Philadelphia, New York, and other cities. Out of these meetings came helpful suggestions, many of which were incorporated in the joint statement. In the meantime, exploratory discussions were going on between the technical representatives of the United States and the technical representatives of more than 30 other countries. As a result of these discussions, an agreement was reached by the experts recommending the establishment of an international monetary fund as the most practical method of assuring international monetary cooperation.

The tentative proposals that have been under discussion by the experts are part of a broad program for cooperation on international economic problems among the United Nations. The objectives of this program are the expansion and development of international trade, the revival of international investment for productive purposes, the establishment of orderly and stable exchange rates, and the elimination of discriminatory exchange practices that hamper world trade. The attainment of these objectives will go far toward preventing serious economic disruption in many countries during the critical decade after the war.

The discussions up to now have all been of a technical nature and exploratory in character. What has been done represents the views of the technical experts of this country and other countries that have been studying the question. The United States will not in any way be committed until Congress takes action.

##### JOINT STATEMENT BY EXPERTS

Sufficient discussion of the problems of international monetary cooperation has taken place at the technical level to justify a statement of principles. It is the consensus of opinion of the experts of the United and Associated Nations who have participated in these discussions that the most practical method of assuring international monetary cooperation is through the establishment of an international monetary fund. The principles set forth below are designed to constitute the basis for this fund. Governments are not asked to give final approval to these



principles until they have been embodied in the form of definite proposals by the delegates of the United and Associated Nations meeting in a formal conference.

#### I. PURPOSES AND POLICIES OF THE FUND

The fund will be guided in all its decisions by the purposes and policies set forth below:

1. To promote international monetary cooperation through a permanent institution which provides the machinery for consultation on international monetary problems.

2. To facilitate the expansion and balanced growth of international trade and to contribute in this way to the maintenance of a high level of employment and real income, which must be a primary objective of economic policy.

3. To give confidence to member countries by making the fund's resources available to them under adequate safeguards, thus giving members time to correct maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity.

4. To promote exchange stability, to maintain orderly exchange arrangements among member countries, and to avoid competitive exchange depreciation.

5. To assist in the establishment of multilateral payments facilities on current transactions among member countries and in the elimination of foreign exchange restrictions which hamper the growth of world trade.

6. To shorten the periods and lessen the degree of disequilibrium in the international balance of payments of member countries.

#### II. SUBSCRIPTION TO THE FUND

1. Member countries shall subscribe in gold and in their local funds amounts (quotas) to be agreed, which will amount altogether to about \$8 billion if all the United and Associated Nations subscribe to the fund (corresponding to about \$10 billion for the world as a whole).

2. The quotas may be revised from time to time but changes shall require a four-fifths vote and no member's quota may be changed without its assent.

3. The obligatory gold subscription of a member country shall be fixed at 25 percent of its subscription (quota) or 10 percent of its holdings of gold and gold-convertible exchange, whichever is the smaller.

#### III. TRANSACTIONS WITH THE FUND

1. Member countries shall deal with the fund only through their treasury, central bank, stabilization fund, or other fiscal agencies. The fund's account in a member's currency shall be kept at the central bank of the member country.

2. A member shall be entitled to buy another member's currency from the fund in exchange for its own currency on the following conditions:

(a) The member represents that the currency demanded is presently needed for making payments in that currency which are consistent with the purposes of the fund.

(b) The fund has not given notice that its holdings of the currency demanded have become scarce in which case the provisions of VI, below, come into force.

(c) The fund's total holdings of the currency offered (after having been restored, if below that figure, to 75 percent of the member's quota) have not been increased by more than 25 percent of the member's quota during the previous 12 months and do not exceed 200 percent of the quota.

(d) The fund has not previously given appropriate notice that the member is suspended from making further use of the fund's resources on the ground that it is using them in a manner contrary to the purposes and policies of the fund; but the fund shall not give such notice until it has presented to the member concerned a report setting forth its views and has allowed a suitable time for reply.

The fund may in its discretion and on terms which safeguard its interests waive any of the conditions above.

3. The operations on the fund's account will be limited to transactions for the purpose of supplying a member country on the member's initiative with another member's currency in exchange for its own currency or for gold. Transactions provided for under 4 and 7, below, are not subject to this limitation.

4. The fund will be entitled at its option, with a view to preventing a particular member's currency from becoming scarce:

(a) To borrow its currency from a member country;

(b) To offer gold to a member country in exchange for its currency.

5. So long as a member country is entitled to buy another member's currency from the fund in exchange for its own currency, it shall be prepared to buy its own currency from that member with that member's currency or with gold. This shall not apply to currency subject to restrictions in conformity with IX, 3 below, or to holdings of currency which have accumulated as a result of transactions of a current account nature effected before the removal by the member country of restrictions on multilateral clearing maintained or imposed under X, 2 below.

6. A member country desiring to obtain, directly or indirectly, the currency of another member country for gold is expected, provided that it can do so with equal advantage, to acquire the currency by the sale of gold to the fund. This shall not preclude the sale of newly mined gold by a gold-producing country on any market.

7. The fund may also acquire gold from member countries in accordance with the following provisions:

(a) A member country may repurchase from the fund for gold any part of the latter's holdings of its currency.

(b) So long as a member's holdings of gold and gold-convertible exchange exceed its quota, the fund in selling foreign exchange to that country shall require that one-half of the net sales of such exchange during the fund's financial year be paid for with gold.

(c) If at the end of the fund's financial year a member's holdings of gold and gold-convertible exchange have increased, the fund may require up to one-half of the increase to be used to repurchase part of the fund's holdings of its currency so long as this does not reduce the fund's holdings of a country's currency below 75 percent of its quota or the member's holdings of gold and gold-convertible exchange below its quota.

#### IV. PAR VALUES OF MEMBER CURRENCIES

1. The par value of a member's currency shall be agreed with the fund when it is admitted to membership, and shall be expressed in terms of gold. All transactions between the fund and members shall be at par, subject to a fixed charge payable by the member making application to the fund, and all transactions in member currencies shall be at rates within an agreed percentage of parity.

2. Subject to 5, below, no change in the par value of a member's currency shall be made by the fund without the country's approval. Member countries agree not to propose a change in the parity of their currency unless they consider it appropriate to the correction of a fundamental disequilibrium. Changes shall be made only with the approval of the fund, subject to the provisions below.

3. The fund shall approve a requested change in the par value of a member's currency, if it is essential to the correction of a fundamental disequilibrium. In particular, the fund shall not reject a requested change, necessary to restore equilibrium, because of the domestic social or political policies of the country applying for a change. In considering a requested change, the fund shall take into consideration the extreme uncertainties prevailing at the time the parities of the currencies of the member countries were initially agreed upon.

4. After consulting the fund, a member country may change the established parity of its currency, provided the proposed change, inclusive of any previous change since the establishment of the fund, does not exceed 10 percent. In the case of application for a further change, not covered by the above and not exceeding 10 percent, the fund shall give its decision within 2 days of receiving the application, if the applicant so requests.

5. An agreed uniform change may be made in the gold value of member currencies, provided every member country having 10 percent or more of the aggregate quotas approves.

#### V. CAPITAL TRANSACTIONS

1. A member country may not use the fund's resources to meet a large or sustained outflow of capital, and the fund may require a member country to exercise controls to prevent such use of the resources of the fund. This provision is not intended to prevent the use of the fund's resources for capital transactions of reasonable amount required for the expansion of exports or in the ordinary course of trade, banking, or other business. Nor is it intended to prevent capital movements which are met out of a member country's own resources of gold and foreign exchange, provided such capital movements are in accordance with the purposes of the fund.

2. Subject to VI below, a member country may not use its control of capital movements to restrict payments for current transactions or to delay unduly the transfer of funds in settlement of commitments.

#### VI. APPORTIONMENT OF SCARCE CURRENCIES

1. When it becomes evident to the fund that the demand for a member country's currency may soon exhaust the fund's holdings of that currency, the fund shall so inform member countries and propose an equitable method of apportioning the scarce currency. When a currency is thus declared scarce, the fund shall issue a report embodying the causes of the scarcity and containing recommendations designed to bring it to an end.

2. A decision by the fund to apportion a scarce currency shall operate as an authorization to a member country, after consultation with the fund, temporarily to restrict the freedom of exchange operations in the affected currency, and in determining the manner of restricting the demand and rationing the limited supply among its nationals, the member country shall have complete jurisdiction.

#### VII. MANAGEMENT OF THE FUND

1. The fund shall be governed by a board on which each member will be represented and by an executive committee. The executive committee shall consist of at least nine members including the representatives of the five countries with the largest quotas.

2. The distribution of voting power on the board and the executive committee shall be closely related to the quotas.

3. Subject to II, 2, and IV, 5, all matters shall be settled by a majority of the votes.

4. The fund shall publish at short intervals a statement of its position showing the extent of its holdings of member currencies and of gold and its transactions in gold.

#### VIII. WITHDRAWAL FROM THE FUND

1. A member country may withdraw from the fund by giving notice in writing.

2. The reciprocal obligations of the fund and the country are to be liquidated within a reasonable time.

3. After a member country has given notice in writing of its withdrawal from the fund, the fund may not dispose of its holdings of the country's currency except in accordance with the arrangements made under 2, above. After a country has given notice of withdrawal, its use of the resources of the fund is subject to the approval of the fund.

#### IX. OBLIGATIONS OF MEMBER COUNTRIES

1. Not to buy gold at a price which exceeds the agreed parity of its currency by more than a prescribed margin and not to sell gold at a price which falls below the agreed parity by more than a prescribed margin.

2. Not to allow exchange transactions in its market in currencies of other members at rates outside a prescribed range based on the agreed parities.

3. Not to impose restrictions on payments for current international transactions with other member countries (other than those involving capital transfers or in accordance with VI, above) or to engage in any discriminatory currency arrangements or multiple currency practices without the approval of the fund.

#### X. TRANSITIONAL ARRANGEMENTS

1. Since the fund is not intended to provide facilities for relief or reconstruction or to deal with international indebtedness arising out of the war, the agreement of a member country to provisions III, 5 and IX, 3 above, shall not become operative until it is satisfied as to the arrangements at its disposal to facilitate the settlement of the balance of payments differences during the early post-war transition period by means which will not unduly encumber its facilities with the fund.

2. During this transition period member countries may maintain and adapt to changing circumstances exchange regulations of the character which have been in operation during the war, but they shall undertake to withdraw as soon as possible by progressive stages any restrictions which impede multilateral clearing on current account. In their exchange policy they shall pay continuous regard to

the principles and objectives of the fund; and they shall take all possible measures to develop commercial and financial relations with other member countries which will facilitate international payments and the maintenance of exchange stability.

3. The fund may make representations to any member that conditions are favorable to withdrawal of particular restrictions or for the general abandonment of the restrictions inconsistent with IX, 3 above. Not later than 3 years after coming into force of the fund any member still retaining any restrictions inconsistent with IX, 3 shall consult with the fund as to their further retention.

4. In its relations with member countries, the fund shall recognize that the transition period is one of change and adjustment, and in deciding on its attitude to any proposals presented by members it shall give the member country the benefit of any reasonable doubt.

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#### SUMMARY OF THE RECOMMENDATIONS OF THE TECHNICAL EXPERTS FOR THE ESTABLISHMENT OF AN INTERNATIONAL MONETARY FUND, APRIL 21, 1944

The experts propose the establishment of an international monetary fund as a permanent institution for international monetary cooperation. The purpose would be to promote exchange stability, assure multilateral payment facilities, help lessen international disequilibrium and give confidence to member countries. All of the United and Associated Nations would subscribe approximately \$8 billion to the fund in the form of gold and local currency in accordance with an agreed formula. The resources of the fund would be available under adequate safeguards to help member countries to maintain exchange stability while they correct maladjustments in their balance of payments.

Member countries would be able to buy foreign exchange from the fund with their own currency to meet payments consistent with the purposes of the fund until the fund's total holdings of their currency reach 200 percent of the quota. Where a member country is making use of the fund in a manner contrary to its purposes and policies, the fund would give appropriate notice that it would sell additional exchange to the member country only in limited amounts. Member countries holding adequate gold and exchange resources would be expected to pay for half of their exchange purchases with gold and countries whose official holdings of gold are adequate and are increasing would be expected to use half of the increase to repurchase part of the fund's holdings of their currency.

When the fund's holdings of a currency become scarce, the fund would issue a report and make recommendations designed to increase the supply of such currency. In the meantime, after consultation with the fund, member countries would be authorized temporarily to restrict freedom of exchange operations in the scarce currency.

The fund's resources could not be used to meet a large outflow of capital, although they could be used for capital transactions of reasonable amount. A member country could also use its own resources of gold or foreign exchange for capital transactions that are in accordance with the purposes of the fund.

The par value of the currencies of member countries would be expressed in gold and could be changed only at the request of member countries. The fund would approve a requested change in parity if it were essential to correct fundamental disequilibrium. After consultation, a member country would be permitted to change the parity of its currency by not more than 10 percent. Prompt consideration would be given to other requests for adjustment of exchange rates.

The fund would be governed by a board and an executive committee representing the members. Voting power would be closely related to quotas. A member country would withdraw from the fund immediately by giving notice in writing. Thereafter, the reciprocal obligations of the fund and the country would be liquidated within a reasonable time.

Member countries would not allow exchange transactions at rates outside a prescribed range based on the agreed parities. They would not be permitted to impose restrictions on payments for current international transactions, or to engage in discriminatory currency arrangements or multiple currency practices without the approval of the fund.

During the period of transition following the war, member countries would be permitted to retain their exchange controls with the expectation that these would gradually be relaxed. Three years after the establishment of the fund any member still retaining restrictions inconsistent with these principles would consult with the fund as to their retention. The transition period is recognized as one of change

and adjustment and in deciding on requests presented by members the fund would give them the benefit of any reasonable doubt.

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#### Exhibit 42

*Press release, June 23, 1944, containing the text of the President's letter, June 9, 1944, to the Secretary of the Treasury relative to the United Nations Monetary and Financial Conference at Bretton Woods*

All agreements reached at the United Nations Monetary and Financial Conference at Bretton Woods, N. H., will be referred to the participating governments for adoption or rejection, it was made plain in a letter of instructions from President Roosevelt to Secretary Morgenthau in which the Secretary of the Treasury was named to head the American delegation.

Definite proposals accepted by the delegates at the conference, which begins next July 1, will in no sense be binding on the governments represented, Mr. Roosevelt said.

The President's letter set forth that Secretary Morgenthau, serving as the principal spokesman for this country, and working in close consultation with the Secretary of State, would be expected to coordinate the activities and views of the other American delegates.

The American delegation has the responsibility, Mr. Roosevelt said, of demonstrating to the world that international post-war cooperation is possible.

The text of Mr. Roosevelt's letter, dated June 9, follows:

MY DEAR MR. SECRETARY: I am pleased that you will head the American delegation which will participate in the United Nations Monetary and Financial Conference to be held at Bretton Woods, beginning July 1, 1944.

It is my hope that this conference will formulate for presentation to the participating governments definite proposals for an international monetary fund and possibly a bank for reconstruction and development. In the invitation which I extended to these governments to participate in the conference, I stated that the agreement by the conference upon definite proposals will not be binding either morally or legally on the governments represented but will be referred to the respective governments for adoption or rejection. You will, of course, be governed accordingly in your discussions and negotiations.

In formulating a definite proposal for an international monetary fund, both you and the other delegates will be expected to adhere to the joint statement of principles of an international monetary fund announced April 21, 1944. You, as head of the delegation, are authorized, however, after consultation with the other delegates to agree to modifications which, in your opinion, are essential to the effectuation of an agreement and provided that such modifications do not fundamentally alter the principles set forth in the joint statement.

You will apply the same principles in your discussions and negotiations with respect to the proposed bank for reconstruction and development except that you will be governed by the principles agreed upon by the American Technical Committee.

As the head of the American delegation of the conference, you will be the principal spokesman for this country and you will be expected to coordinate the activities and views of the other American delegates. You will, of course, work in close consultation with the Secretary of State.

The responsibility which you and the other delegates of the American delegation will undertake is the responsibility for demonstrating to the world that international post-war cooperation is possible. I am confident that you will do your best to accomplish the purposes of the conference.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

## Exhibit 43

*Joint statement, June 15, 1944, by the Secretary of the Treasury and the Foreign Economic Administrator relative to the lend-lease of silver to India*

The following joint statement was issued today by Secretary Morgenthau, and the Foreign Economic Administrator, Mr. Crowley:

The United States Government has agreed to supply the Government of India under a special lend-lease agreement with 100 million ounces of silver to be used to maintain an adequate supply of coinage for the large numbers of United Nations forces there and for India's expanded war production, and to help to keep prices stable in this important United Nations supply base and war theater.

The Government of India has agreed to return the silver to the United States after the end of the war on an ounce-for-ounce basis.

The silver bullion will be supplied to India from the large stocks of United States Treasury free silver. The shipments of silver will not impair in any way the supply of silver required for domestic purposes in the United States.

Silver has been supplied under lend-lease from time to time to a number of other countries for industrial and coinage purposes essential to the war. The total amount of silver shipped under lend-lease to date to all countries is approximately 4,000 short tons.

## Exhibit 44

*Joint statements, August 2 and 17, 1943, by the Treasury and War Departments relative to the allied military currency used in liberated Sicily*

STATEMENT, AUGUST 2, 1943

Joint statement by the Treasury Department and the War Department:

Allied expeditionary forces, seeking to establish orderly relationships with the people of liberated Sicily, are introducing into its occupied areas an "Allied Military Currency," speaking a "Lira" language that will be understood by every Sicilian trader and consumer.

It may now be revealed that a distinctive currency, determined upon by British and American officials was made in the Treasury's Bureau of Engraving and Printing. It was rushed to the scene of action by huge transport planes and is being used as the medium of exchange in that part of Italy that we now hold.

A part of its legend reads "Issued in Italy."

At the same time, it was revealed, a comparable series of postage stamps will be introduced into the areas under military administration.

This is the first truly allied venture into the field of military monetary expedients and an undertaking without precedent so far as the United States is concerned. The distinctive lira currency will be used in the payment of troops of all the Allied Nations on Italian soil, and in payment by the procurement services for local supplies.

Government officials said the undertaking is designed to give the occupied areas a currency in denominations and terms which they know.

It provides an adequate circulating medium in sections where there may be a shortage of local currency because of confiscation or destruction by retreating enemy forces, or from other causes.

It avoids complication of the monetary system which use of foreign currencies might cause.

Previously, the United States forces in North Africa had used a regular "back home" currency with a distinctive seal, while the British had used a "military pound." Now, authorities of the Allied Nations have worked out this cooperative use of a single medium of exchange.

The preparation of this military currency and postage in advance of the invasion of Italy is itself an amazing chapter in the story of the gigantic and minutely detailed planning that preceded the expedition, a story that must, for the most part, remain untold until after the war. From the standpoint of the physical undertaking alone, there is no precedent for such a job. Presses of the Bureau of Engraving and Printing worked 24 hours a day, not even pausing for meal periods, for weeks, to have the stocks of notes and stamps ready for the final, revealing overprinting when the invasion actually began.

The planning of the job goes back some four months, when high officials of the Treasury, the War and Navy Departments, the Department of State, and officials of the British Government laid the groundwork in a series of extraordinary conferences held in utmost secrecy.

No inkling of the project ever was put in writing, no word of it spoken over a telephone, and no discussions of it carried outside the conference rooms.

Designs for the notes and stamps had to be completed under similar conditions of secrecy, and stocks of distinctive paper and huge amounts of inks of various colors accumulated. In none of this preliminary work was the country for which the notes were intended ever identified.

On the basic designs under consideration, where now the words "Issued in Italy" appear, the words "United States" were placed fictitiously, and where the "lira" designation is printed were such unrevealing terms as "dollars" or "shillings."

Basic printing of the notes began early in June, with the name of the country and the currency designation still omitted. Huge stocks of the partially finished notes were accumulated against the day when the "go" signal should be given.

The invasion news was flashed to the world on the night of July 9. Key employees of the Bureau of Engraving and Printing stood by their telephones throughout Sunday, and continued at their posts until the printing order was released by Army authorities actually on Tuesday, July 13. Huge presses immediately began to roll, overprinting the partially completed notes with the identifying legends.

By Saturday, July 17, enough had been completed to load a huge transport plane, but transportation was not available until Monday, July 19, when two planes carrying seven tons of the distinctive money took off. Other shipments have followed, both of currency and stamps.

The currency introduced into Sicily is in eight denominations from one to 1,000 lire. The smaller denominations are half the size of United States currency, and the larger denominations the same size. It is made by a lithograph process, since the time element and the size of the undertaking did not permit steel engraving.

Except for the "lire" designation, all the legend on the bills is in English. The "Four Freedoms," Freedom of Speech, Freedom of Religion, Freedom from Want, and Freedom from Fear, appear prominently on the reverse sides of all the notes. Ornate designs in pantograph, of a neutral nature, are used in the series, so that it might be adapted to the needs of troops in further assaults upon Hitler's European fortress merely by overprinting the proper currency designations and name of country on the basic stock.

Smaller notes, of one, two, five, and ten lire bear a wheat field scene in brown on the face, with the denomination in the center. Blue, lavender, green, and black borders also identify the respective denominations. The words "Allied Military Currency" appear on the upper margin of the face and in an ornate oval on the reverse side. The face also carries the legends, "Series 1943," "Issued in Italy," and a serial number. The Four Freedoms appear in the four corners of the note on the reverse side.

For notes of 50, 100, 500, and 1,000 lire, borders and ornate design of the front are in blue, lavender, green, and black, respectively, with the background on all four notes a pale blue. The denomination appears in each of the four corners on the face, and in an ornate shield in the center. The words "Issued in Italy" appear in ovals at each end, and the words "Allied Military Currency" at the bottom of the note. The face also carries the designation "Series 1943," and serial numbers.

The reverse side of these larger notes is a subdued brown, with "Allied Military Currency" appearing in a center shield, and the Four Freedoms in ovals at either side.

The allied military postage stamps are in denominations of 15, 25, 30, 50, and 60 centesimi, and in 1, 2, 5, and 10 lire. They are all of the same design, distinguished by colors of the usual United States postage series. They bear a pantograph background, with white lettering, and the denomination in the center of the stamp, are perforated, and on a gummed paper. Both the stamp design and the overprint are put on in one operation on a two-color press.

STATEMENT, AUGUST 17, 1943

The Treasury and War Departments today made public further details concerning the special currencies employed in the Sicilian operations:

Financial and military plans are so closely interrelated in modern warfare that it is necessary, for reasons of military security, to maintain secrecy regarding financial arrangements incident to military operations until the financial as well as strictly military aspects of the initial stages of the operation have unfolded. However, military secrecy ceases to exist regarding the financial measures effective for an operation when the relative decrees of the military commander are issued in the liberated area. Accordingly, the following information can now be released supplementing the story previously made public regarding the printing of Allied military currency by the Bureau of Engraving and Printing.

Measures to meet the currency problems incident to the Sicilian operation were taken jointly by the United States and British military authorities and insofar as American interests are concerned, under the guidance of and in consultation with the United States Treasury.

A distinction is to be drawn between the two kinds of currencies, namely, "spearhead" and "occupation," employed by the United States forces in these military operations. The "spearhead" currency was the "yellow seal" dollar which is a regular silver certificate of the United States Government, the yellow seal being used to distinguish it from ordinary United States currency. This distinctive mark was adopted partly for security reasons to permit the isolation of the currency if it fell into enemy hands, partly to prevent the influx into the area of dollar currency already in the hands of the enemy, and partly to facilitate its entry into the United States by freeing it from present restrictions on ordinary United States currency. The yellow seal was first used by the United States military forces in North Africa and was again used as a spearhead currency in Sicily.

In connection with the use of the yellow seal dollar by the United States forces, it is of interest to note that concurrently the British forces used the British military authority pound note. The B. M. A. note is a special currency and not the regular British pound note. The same exchange rate for conversion purposes was established in Sicily as in North Africa between the B. M. A. note and the yellow seal dollar—one B. M. A. pound equals four United States yellow seal dollars.

The occupation currency employed is the Allied military lira which was described in a previous joint press release by the Treasury and War Departments. This currency is being used jointly in the Sicilian operation by the Allied military forces to supplement supplies of local currency when and if necessary in order to meet the requirements of military operations. For obvious reasons it was desirable that the Allied forces should not continue to use pound and dollar currencies longer than was necessary and should move into currency denominated in terms of local units as quickly as the military situation would allow. It is not intended nor desired to replace the local currency with the Allied military lira currency unless absolutely necessary from a military standpoint, but rather to use the Allied military lira to supplement the supply of local currency.

When the United States Army obtains Allied military lire for expenditures in Sicily for pay of troops, supplies, and other expenditures that would normally be charged to its appropriation, it will charge the relevant War Department appropriation for the dollar equivalent of such expenditure. The decreed rate of exchange is 100 lire to the dollar. This procedure, it was pointed out, marks no change in the customary control by the Congress over the size and nature of Army appropriations. Congress retains its jurisdiction over such army expenditures. The British military forces are following a parallel procedure with a decreed rate of 400 lire to the British pound. In all cases complete records are being kept and a detailed accounting procedure has been set up in connection with the issuance and use of this currency. These complete records will also facilitate the adjustment of financial matters growing out of the military operations of the Allied forces in the occupied area.

The Allied military lira has been made legal tender in Sicily and is interchangeable at par with local lira currency. It will be in every respect as acceptable as a medium of exchange as the local lira currency, both to the men of our fighting forces and to the local population. Insofar as our troops are concerned, arrangements have already been made so that they may remit all or any portion of their pay which they receive in lire to the United States against instant payment here in dollars. United States soldiers leaving the area may exchange lira currency held by them for dollar currency at the decreed rate of exchange.



On the other hand, for obvious reasons, War Department appropriations will not be charged for expenditures in Sicily by the Allied Military Government for local governmental operations whether financed from local taxes or revenue or through the use of Allied military currency. Thus, for example, the Allied Military Government will not charge Army appropriations in connection with the maintenance of public schools, water systems, salaries of local officials, and the like.

Officials emphasized the essential distinction between the regular issuance of currency within the United States and the issuance of a special currency by the military authorities within an area under military occupation such as Sicily. While the former is governed by the Constitution and the statutes of the United States, the rules governing the latter are those of the law of nations as established by international agreement and the usage of the world. Under international law, the Hague Conventions and the decisions of the Supreme Court of the United States, the military commander in areas occupied by the forces under his command has all the powers necessary for the carrying out of governmental functions.

These powers include the right to provide for the currency needs of the area occupied. In fact, it is a fundamental principle of international law that an occupying authority has, in addition to its powers, certain obligations to the inhabitants of the territory under its control. It must take whatever steps are necessary to secure public order. The latter cannot be maintained unless the continued operation of local trade and commerce is protected. This protection includes the establishment and maintenance of an adequate and effective circulating medium.

The Allied forces must be in a position to meet a variety of conditions which they may find in areas occupied by them. The enemy might, for example, adopt a "scorched earth" policy which, on the monetary side, may evidence itself in the withdrawal or destruction of currency stocks and the resulting depletion of the circulating medium of exchange of the area. On the other hand, the enemy might in its efforts to cause maximum difficulties to the occupying forces, flood the area to be occupied with local currency to such a point that it becomes practically worthless as a satisfactory medium of exchange; and may even resort to the use of counterfeit local currency.

Financial problems will vary in different areas freed by the forces of the United Nations. Although the basic principles underlying the authority of the military commander remain unchanged, the details of procedure must be adapted to the circumstances found to exist in liberated areas.

It should be noted that in contrast with Axis procedure, which is governed by a policy of exploitation or of outright destruction of the existing economy of a conquered area, Allied military policy and procedure is governed by a spirit of liberation and a policy of rehabilitation and fair dealing with the liberated peoples.

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#### Exhibit 45

*Joint statement, February 9, 1944, by the Treasury, War, and Navy Departments relative to the special Hawaiian series of United States currency*

The Treasury, War, and Navy Departments tonight issued the following joint statement:

The American marines, sailors, and soldiers who have been driving out the Japanese from their Central Pacific strongholds have brought with them for their use and for the use of the inhabitants of these islands the "Hawaiian dollar," i. e., the special Hawaiian series of United States currency.

The use of this Hawaiian currency emphasizes the marked change which has been brought about in the Central Pacific theater of operations during the last year. The introduction of the special "Hawaiian dollar" in July 1942 was taken as a step toward the complete economic defense of Hawaii, while today the "Hawaiian dollar" is being used to facilitate the offensive against the Japanese-held islands thousands of miles from Hawaii in the direction of Tokyo.

When the "Hawaiian dollar" was introduced, the Japanese had been recently defeated in the battle of Midway but had just landed forces on the Island of Kiska and responsible American naval and military leaders were pointing out that a threat to Hawaii still existed. It was against this background that measures were taken by the United States Treasury for the withdrawal of all regular United States currency in circulation in the Territory of Hawaii and its replacement by a new series of United States currency. This new currency

consists of United States silver certificates and Federal Reserve notes bearing the distinctive overprint "Hawaii" in bold open-faced type on each end of the face of the note and the word "Hawaii" in large open-faced type across the reverse side of the note. After August 15, 1942, no currency other than United States currency, Hawaiian series, could be held or used in Hawaii without a license from the Governor of the Territory of Hawaii. On the other hand, in order to effectuate the purposes of its issuance, the United States currency, Hawaiian series, was kept from circulating on the mainland of the United States by virtue of a prohibition on its export from Hawaii.

The distinctive characteristics of the "Hawaiian dollar" are of equal value for offensive purposes as well as defensive. It is in the interests of our Government to be able to identify easily the currency which is being used in areas of combat, in order to facilitate the isolation of this particular currency if it should fall into enemy hands.

It would have been possible, of course, to achieve practically all of the advantages of the use of the "Hawaiian dollar" by the use of the yellow seal currency used in North Africa, Sicily, and Italy. It was felt, however, that since these Central Pacific islands have closer direct military and financial relations with Hawaii than with the mainland and since the "Hawaiian dollar" has all the advantages of the yellow seal currency, it was preferable to use the "Hawaiian dollar" in the Central Pacific operations.

The rate of exchange that has been established for these liberated islands of the Central Pacific is 20 Japanese military yen to one "Hawaiian dollar." This rate was determined in the light of present prevailing circumstances in these small island groups and will in no way be considered a precedent for the rates that may be applied to other areas now occupied by the Japanese.

## TAXATION DEVELOPMENTS

### Exhibit 46

*Statement of Secretary Morgenthau before the House Ways and Means Committee,  
October 4, 1943, in support of the Treasury's program for additional revenue*

I want to present to you today the administration's suggested program for raising additional taxes to help pay for the war. But more than that, I want to explain why we are presenting this program. You are entitled to know not only the decisions we have made, but our reasons for making these decisions.

Because of the huge cost of the war, it is necessary for us to ask for a great deal of money. We need it, and the time to get it is now, when the national income is the highest it has ever been.

The budget for the fiscal year 1944 calls for 106 billions in expenditures. And while it may be possible, and I hope it is, to curtail some governmental expenditures, even that will not lessen our need for getting at this time all that the American people can possibly give us in additional taxes.

The additional taxes for which we are going to ask will make it necessary for people to take in their belts—but the cold hard facts of fiscal necessity demand it. We know by now that our willingness to spend the necessary funds, no matter how large, has had and will continue to have a definite effect on the lives of our men in battle. The superior fighting equipment which we have produced and bought has been expensive, but it will shorten the war and will save the lives of thousands of American fighting men.

The money that is expended to help our allies keep the enemy engaged on dozens of fronts all over the world also saves untold lives and helps shorten the war.

These things—equipment, medical supplies, lend-lease, and all the rest—have helped to build the war cost to its present huge proportions, but I am sure you will agree, and I am sure the American people agree, that it is worth while.

We must raise a great deal of additional money for financing the war and combating inflation, and yet in doing it we cannot overlook the fact that there is a point beyond which some people of moderate means cannot pay higher taxes of any sort and still keep a family going. There is a point beyond which they cannot meet the tax bills and still maintain a standard of living which will permit them to continue to help in the effective prosecution of the war.

I am telling you this to emphasize the fact that the Treasury Department has not arbitrarily set down a figure as the amount to be raised, without regard to the problems which exist, and which must be met. We have, over the past several months, asked the help of every executive department of Government having any

relationship to taxes, including the Army and the Navy. And I think we have examined every conceivable plan to raise additional taxes.

We have measured these plans against—

First, the ability of the plan to raise money, and its effect on the inflation problem;

Second, the degree to which it might interfere with war production;

Third, the degree of hardship the plan places upon people with fixed incomes and with fixed obligations, and upon people with inadequate incomes; and

Fourth, its practicability and cost from the standpoint of its administration. No plan is good if it is impractical for the Government to handle, or if it unduly tries the patience of the taxpayer who is already burdened with too much and too complicated paper work.

One of our chief considerations in developing a tax program has been the drawing off of what is called "excess spending money." It has been estimated that income payments to individuals will amount to 152 billion dollars in the fiscal year of 1944. The amount of goods and services available can absorb only about 89 billion of this 152 billion, leaving 63 billion. Personal taxes will reduce this figure by 21 billion at the present rate, leaving a total of about 42 billion dollars. Of this 42 billion dollars we expect to draw off a substantial amount in the sale of war bonds to individuals. During the past 12 months—that is to say, through the three drives which we have had, and the regular bond sales which go on month after month—we have absorbed nearly 17 billion dollars of this "excess spending money" from individuals.

There are of course other forms of noninflationary savings, such as life insurance, which also must be subtracted from the 42 billion potentially dangerous dollars.

But even taking into consideration these savings along with war bonds, a substantial amount of excess income will still be left. There will be available spending money far in excess of the limited supply of goods available, and with this excess the danger of inflation mounts.

As you know, the seeds of inflation have been with us since the start of the war in Europe, and the Government has taken numerous measures to cope with the situation. Partially because the threat of inflation seemed to many to be far away, and partially because of a lack of general understanding of the economic factors involved in inflation, not enough has been done.

In the Treasury we have taken several steps within our province to help combat inflation. We have consistently recommended higher taxes, and have succeeded in getting the people of the Nation to invest many billions in war bonds and tax notes.

On March 19, 1941, we set up the Defense Savings Staff in the Treasury for the purpose of promoting the sale of defense savings bonds to the general public. On May 1 we introduced the Series E, F, and G savings bonds in an effort to absorb individual savings and to forestall the potentially inflationary effects of the expenditure of these funds for consumers' goods. Altogether, the American people have invested 21 billions net in these bonds.

On April 24, 1941, I appeared before the Committee on Ways and Means to discuss the need of raising 3.5 billions additional revenue, one of the objectives of which was "to prevent a general rise in prices by keeping the total volume of monetary purchasing power from outrunning production."

On August 1, 1941, we placed on sale tax anticipation notes, designed to enable the taxpayer to save systematically for his tax bill, and at the same time to absorb purchasing power which might have been spent for consumers' goods.

On December 27, 1941, we implemented the payroll savings plan for the regular and systematic sale of United States savings bonds to wage earners. At the present time 27 million persons are deducting a total of 420 million dollars a month.

On March 3, 1942, I appeared before this committee and asked for an increase in revenue of 7.6 billion dollars. I stated that the chief objective of the new Revenue Act was to help check inflation, and pointed out that "nothing in the economic field can interfere with the war effort as much as an uncontrolled rise in prices, and an inflationary price rise is a source of grave social injustice."

In the 3 years—1940, 1941, 1942—I recommended to Congress tax increases, totaling approximately 20 billion dollars, and I am glad to say that Congress enacted most of these increases.

These tax increases and the money that we have realized through the sale of bonds have been substantially helpful, in connection with other governmental actions and restrictions, in controlling inflation to the extent to which it has thus far been controlled.

From a statistical standpoint, we know where the bulk of the new money lies, and where, therefore, lies also the greatest danger of inflationary pressure.

Today, four-fifths of all the income of the Nation is going to people earning less than \$5,000 a year. And except for the people earning no more than a bare subsistence wage, this group presents the greatest potential danger from the inflationary standpoint. The weight of the inflationary money in the hands of this group can cause undue price rises, and can completely upset our entire economic system, unless absorbed in sufficient quantity.

Having this in mind, as well as the need for additional funds to finance this most expensive war, the Treasury set a goal earlier this year of 12 billion dollars as the amount of additional revenue which should be raised by new taxation.

Since this goal was set we have gone outside the Treasury offices, outside of Washington. We knew that 12 billion dollars, when translated into individual cases, was a great deal of money; and, as we progressed in our investigations, we became more and more aware of the problems we would have in levying so large an additional tax on anything like an equitable basis.

While it is perfectly obvious that the economic condition of the country indicates a great deal of room for additional taxation, income is not distributed in such a way that it can equitably be drawn off in huge quantities straight across any given income level.

We found this out very definitely when we made actual observations in the field. When we talked to actual people—people who pay rent, feed their families, and meet the extra bills which wartime living saddles upon them—we found that some had ability to pay much heavier taxes, but that others earning the same amount of money could not bear as heavy a burden.

From our surveys, and from checking closely the response of working people and farmers and other groups in the bond drives, we further found that this inequality in ability to pay taxes is being compensated for in a large measure by the voluntary purchase of bonds among people who have more than their usual amount of money to spend. We found, for example, that among war workers in industries where income has been substantially increased, the purchase of bonds is high. In most factories where production is especially high, and where wages and overtime are accordingly high, the sale of bonds is similarly high. For example, in the former automobile plants, now converted to war production, 87.6 percent of all the workers are regularly buying bonds on payroll deduction plans, and those who are enrolled are regularly investing 10.3 percent of their wages. During the Third War Loan drive the workers in representative automobile plants in Detroit invested upward of an average of \$100 per man in extra war bonds. They did this of their own free will, without compulsion by the Government.

This pattern holds true throughout the war production industries. Seventy-five percent of all the shipbuilders are on the payroll deduction plan, and are investing 11.3 percent of their wages. Employees in the construction industry who are on the plan are deducting 10.4 percent of their pay; and—to take a different kind of an industry—85 percent of the employees of the telephone and telegraph industry are subscribing 9.3 percent of their pay.

The great majority of the American people are ready and anxious to do their part to cooperate in every way that will help win the war in the shortest possible time. I have seen this spirit at work in our war loan drives.

I am sure that we can count on them as individuals to see us successfully through our fight against inflation if we will only tell them what to do—clearly and decisively. Tell them how they can help. We cannot legislate cooperation, and beyond a certain point I think we must tread lightly.

The amount of money we can take by tax legislation cannot possibly absorb enough of our dangerous dollars, but we must ask the people, so that they may protect themselves from the injustice of inflationary price rises, to do all they possibly can. And while I think we should not burden the American taxpayers at this time with additional taxes in so great an amount as 12 billion dollars, I do believe that they can pay, and will, an additional total of 10.5 billions.

At first glance, it may seem that a billion and a half less than our original figure is not a substantial reduction; but all of the reduction is in the individual income tax and it amounts to a great deal in terms of a reduced burden on any given individual or family.

The proposed schedule calls for 6.5 billions in additional individual income taxes. We realize that these additional taxes, even in the reduced amount of 6.5 billions, will impose a heavy burden on some taxpayers. You may therefore wish to consider some device for lessening the ultimate impact of the increased tax on the lower income groups.

One such device which we have considered, and which I pass along to you for your consideration, is provision for a post-war refund of a part of the tax.

Such a refund should benefit principally the lower income groups and might be in the range of between 2 and 3.5 billions of the 6.5 billion tax. If such a device should be used, it is suggested that the taxpayer be permitted to purchase with his refund credit a fully paid-up life insurance policy. There should also be a special provision permitting the immediate use for tax payment of any post-war credit in cases where the taxpayer's income has not increased substantially.

As a result of our investigations among average Americans, there is an important general recommendation that I want to make. It is vitally important that every possible step be taken to reduce the complications in our tax laws which make it necessary for the taxpayer to fill out complex and difficult tax forms.

Many of the complications which confuse and irritate the taxpayer arise out of the fact that under the present law there are two income taxes. We have the regular income tax. We also have the Victory tax, which was passed last year, and became applicable to this year's income.

The Victory tax introduces a new and different income computation which does not take account of deductions for interest paid, taxes paid, contributions to charity, or other nonbusiness expenses. It has a different scheme of exemptions, with an exemption of \$624 for each individual taxpayer. This exemption is reduced in the case of a married couple where one spouse has less than \$624 of income. No exemption is allowed for dependents. The Victory tax has a complicated post-war credit amounting to 25 percent of the tax for single persons, with a limit of \$500, 40 percent of the tax for married couples with a limit of \$1,000, and an additional 2 percent for each dependent with a limit of \$100.

A further complication is the provision for taking this credit currently to the extent of debt repayment, life insurance premiums, or war bond purchases—and this provision not only increases complexity, but for all practical purposes wipes out the post-war character of the credit.

Because of these variations from the income tax, the Victory tax confuses the taxpayers and makes impossible any real simplification of tax forms. It has wiped out simplifications previously possible in income tax forms. For example, the complete tax computation table which we were able to provide for taxpayers in the 1941 and 1942 returns has become impossible this year because of the Victory tax.

I, therefore, recommend the repeal of the Victory tax as the first and most important single step toward tax simplification.

But there are additional gains to be made by repealing this tax now. Such a step would improve the equity of the income tax system in important respects. The Victory tax failed to take due account of family status. It loaded an additional tax on all those earning an income above \$624 regardless of the size of their families.

While it does not seem desirable simply to exempt wholly from taxation all those now liable for Victory tax, but not within present income tax brackets, equity will be promoted by repealing the Victory tax and lowering present income tax exemptions. By lowering them to \$1,100 for married persons and \$300 for dependents, we would retain, with about the same tax burden, those taxpayers now liable only for Victory tax, who are best able to bear the burden of some income tax. At the same time we would relieve 9,000,000 hard-pressed families from tax on their incomes.

Repeal would not, of course, leave these citizens untaxed. They would continue to pay heavy indirect taxes, and most of them under existing law will have their social security taxes doubled next year.

In the interest of simplification, there is another recommendation I want to make again, as I did last year. I urge the repeal of the earned-income credit.

The elimination of the earned-income credit would make possible the achievement of a further important simplification through the consolidation of the normal tax and the surtax into one tax schedule.

Under present law all net income up to \$3,000 is assumed to be earned income, whether or not it is actually earned. This failure to distinguish between different sources of income below \$3,000 deprives the earned-income credit of its chief significance. Yet it complicates both the returns and the computation of the income tax. By eliminating this misnamed earned-income credit, we can gain simplification without discriminating against the salaried people and wage earners with modest incomes.

A desirable change which would further simplify filing and collection procedure would be the withholding of taxes from wages and salaries at graduated rates.

Graduated withholding could keep millions more of our taxpayers on a strictly current, paid-up basis, by covering the full liability in all brackets instead of just the first bracket, as at present. This would materially reduce the number of persons required to file troublesome declarations of estimated tax. Recent discussions with employers indicate that they believe withholding at graduated rates to be desirable and entirely feasible.

Let me tell you now about our specific suggestions for the tax program.

I am suggesting a program to increase Federal revenue collections by approximately 10.5 billion dollars for a full year of operation.

I recommend that those taxes be raised through an increase in estate and gift taxes, corporation taxes, selected excise taxes, and individual income taxes.

#### ESTATE AND GIFT TAXES

Estate taxes have been a part of our Federal tax structure since 1916, but the total contribution has been unduly small. In this period ahead when great additional revenue is necessary, estate taxpayers should contribute as heavily as possible to the cost of the war along with other groups of taxpayers. I am suggesting that the exemption for estate taxes be reduced from \$60,000 to \$40,000; that estate and gift tax rates be increased throughout the scale. By so doing, we can raise an additional 400 million dollars on a full year's basis.

#### CORPORATION TAXES

It is recommended that corporation taxes be increased. Despite heavy increases in taxes, net corporation income after taxes has risen greatly since 1939. After paying dividends, corporations (including both profitable and deficit corporations) will have added to their capital out of earnings an estimated 11 or 12 billion dollars during the 3 years of 1941, 1942, and 1943. We therefore recommend that corporation taxes in general be raised, but that small corporations be given special favorable treatment. Our schedule for increasing corporation taxes has been worked out along this line and will raise an additional 1.1 billion dollars.

#### EXCISE TAXES

It is the belief of the Treasury Department that an increase in excise tax rates has much to commend it as a means of raising additional money during a war period. Little or no increase in administrative machinery is required. Items can be selected which need to be conserved for war purposes and additional taxes can be placed upon such items of expenditure as liquor and tobacco. The tax rates that we are suggesting have been fitted to the wartime conditions of supply and demand for each item separately. Under the schedule which we will present to you in detail, we can raise an additional 2.5 billion dollars through increases in present excise tax rates and through two new excises.

The tax increases just suggested—the added estate and gift taxes of 400 million dollars, the new corporation taxes of 1.1 billion dollars, and the increased excises of 2.5 billions, add up to a total of 4 billion dollars.

#### INDIVIDUAL INCOME TAXES

I am suggesting increases in individual income taxes to yield 6.5 billion dollars. In planning a schedule to raise this 6.5 billions in additional income taxes, we have merged the Victory tax into the income tax. As I have indicated, the exemptions suggested are \$500 for single persons, \$1,100 for married persons, and \$300 for each dependent.

The total amount of Victory tax paid by the 9 million people who will thus be relieved of paying any Federal income tax is 300 million dollars, all of which has been redistributed and absorbed in our proposed schedule.

I should like to take a moment now to tell you exactly how this proposed income tax schedule will work in actual practice.

Take, for example, a married person with two dependents; under the present law, the income tax exemption would amount to \$1,900, and the Victory tax exemption would usually amount to \$624; under the proposal, there would be one exemption amounting to \$1,700.

Such a person having a net income of a thousand dollars a year will pay a gross tax under the present law of \$25, of which \$11 is his refundable Victory tax credit. Under the new proposal, he will not be required to pay any tax at all.

If such a person is earning \$3,000 a year, he is now paying a gross tax of \$327, of which \$60 is his Victory tax credit. Under the new proposal, he would pay \$384, or \$57 more than his present gross tax.

A married person with two dependents earning \$8,000 a year is now paying a total of \$1,735, of which \$182 is his Victory tax credit. Under the present proposal he would pay \$2,523, or \$788 more than his present gross tax.

At \$25,000 per year, a married person with two dependents is now paying \$10,171, of which \$597 is his Victory tax credit. Under the new proposal he would pay \$13,750, or \$3,579 more than his present gross tax.

It is my belief that the suggestions I have just made constitute a program as equitable as could be suggested to attain the results we desire. Enactment of a program of this general character, I believe, would serve the Nation in many ways.

It would enable us to finance a considerably larger part of our huge war costs through taxation; and by so doing would relieve us and our children of a burden which could materially retard post-war progress.

It would materially simplify our tax structure.

It would strengthen us in our war on inflation, as well as in our war on the Axis.

All of the tax increases I have mentioned are suggested as parts of a war program to be effective only until a date following the termination of the war to be fixed by Congress.

Mr. Paul and the Treasury staff are here to present to you complete schedules and plans and answer questions concerning them.

#### STATEMENT ON SOCIAL SECURITY

There is one further suggestion I should like to make to this committee. It is not a part of the tax proposal, but it bears a distinct kinship to it.

I should like to suggest, as enthusiastically as I know how, that you amplify and extend the present social security system.

I have talked to many people who would be concerned with extension of the social security program which would involve increases in payroll taxes. I have been met with interest and enthusiasm for broadening the provisions of the Social Security Act. I have been assured that the people who would have to pay additional payroll taxes see the wisdom of making the necessary additional sacrifices.

The President has announced plans to reestablish our fighting men economically when they return to build new lives on the sound foundations of the victory they will have won; and now we must also keep in mind, on that same sound foundation of victory, workmen and farmers, and all other people on the home front, many of whom are not now covered by social security, must also build new and better lives.

Therefore, I suggest that the Congress seriously consider widening social security to cover practically all persons in the Nation, to increase unemployment insurance benefits, and to provide benefits for temporary disability and hospitalization.

On the basis of bills already introduced in Congress, to do this would increase the social security taxes paid by employees by approximately 3.7 billions. The necessary additional employers' payroll tax of 1.6 billion dollars would make an annual increase of 5.3 billion dollars for social security purposes.

A substantial increase in the social security payroll taxes would be of immediate service in diminishing the threat of inflation.

There is no pretense on the part of low-income people that they could comfortably pay these additional payroll taxes. It is known by them, and admitted to be a sacrifice; but it is felt by leaders and spokesmen for many such people, and by those of the people themselves with whom I have talked, that because we would be expanding social security advantages and permitting workers to invest in their futures, this sacrifice would be made willingly.

If payroll taxes are increased, the income taxes should at that time be made substantially lower than I have suggested to avoid an excessive tax burden on the lower-income groups.

**EXHIBIT A.—ESTIMATED INCREASE OF THE REVENUE PROGRAM OVER THE YIELD OF THE PRESENT LAW ASSUMING A FULL YEAR OF OPERATIONS AT LEVELS OF INCOME ESTIMATED FOR THE CALENDAR YEAR 1944.**

[In billions of dollars]

	Increase over pres- ent law <sup>1</sup>
Individual income tax: Increase surtax rates; reduce the personal exemption of married couples and heads of families to \$1,100 and reduce the dependent credit to \$300; repeal the Victory tax and repeal the earned-income credit	6.53
Corporation income taxes: Increase surtax rates, the combined normal and surtax rate reaching a maximum of 50 percent as compared with the present maximum of 40 percent on corporations with income in excess of \$50,000	1.14
Estate and gift taxes: Increase estate tax rates, reduce specific exemption from \$60,000 to \$40,000, and increase gift tax rates to three-quarters of the new and higher estate tax rates	.40 2.49
Excise taxes	
Total increase	10.56
Effect of possible post-war credits:	
Amounts of post-war credits:	
Suggestion I <sup>2</sup>	2.27
Suggestion II <sup>3</sup>	3.51
Net increase after post-war credits:	
Suggestion I <sup>2</sup>	8.29
Suggestion II <sup>3</sup>	7.05

<sup>1</sup> The net Victory tax after post-war credit, rather than the gross Victory tax, is contained in the yield of the present law.

<sup>2</sup> Post-war credit, suggestion I, 50 percent of the first \$50 of individual income tax, 25 percent of the next \$50 of tax, and 5 percent of the tax in excess of \$100, the maximum post-war credit not to exceed \$250.

<sup>3</sup> Post-war credit, suggestion II, 50 percent of the first \$50 of individual income tax, 25 percent of the next \$150 of tax, and 10 percent of the tax in excess of \$200, the maximum post-war credit not to exceed \$400.

**EXHIBIT B.—TENTATIVE ESTIMATED TAX LIABILITY UNDER THE PROPOSAL AS COMPARED WITH THE TAX LIABILITY UNDER THE PRESENT LAW FOR A FULL YEAR OF OPERATION <sup>1</sup>**

[In millions of dollars]

General and special accounts	Yield of tax pro- gram	Yield of present law	Increase or de- crease (—) over yield of pres- ent law
1. Internal revenue:			
(1) Income and excess-profits taxes:			
Corporation:			
Income <sup>2</sup>	5,872.7	4,734.6	1,138.1
Excess-profits tax	10,888.8	10,888.8	
Declared value excess-profits tax	105.6	105.6	
Total corporation (gross)	16,867.1	15,729.0	1,138.1
Less post-war credit	1,088.9	1,088.9	
Total corporation (net)	15,778.2	14,640.1	1,138.1
Individual:			
Net income tax (gross)	23,892.1	14,105.5	9,786.6
Victory tax (gross)		5,324.1	—5,324.1
Less post-war credit		—2,066.0	2,066.0
Victory tax (net)		3,258.1	—3,258.1
Total individual	23,892.1	17,363.5	6,528.5
Total income and excess-profits taxes	39,670.3	32,003.6	7,666.6
(2) Miscellaneous internal revenue:			
Capital stock, estate, and gift taxes:			
Capital stock tax	400.0	400.0	
Estate tax	902.1	522.4	379.7
Gift tax	62.1	40.2	21.9
Total capital stock, estate, and gift taxes	1,364.2	962.6	401.6

Footnotes at end of table.



EXHIBIT B.—TENTATIVE ESTIMATED TAX LIABILITY UNDER THE PROPOSAL AS COMPARED WITH THE TAX LIABILITY UNDER THE PRESENT LAW FOR A FULL YEAR OF OPERATION<sup>1</sup>—continued

[In millions of dollars]

General and special accounts	Yield of tax program	Yield of present law	Increase or decrease (—) over yield of present law
1. Internal revenue—Continued.			
(2) Miscellaneous internal revenue—Continued.			
Taxes on commodities and services:			
Liquor taxes:			
Distilled spirits (domestic and imported) (excise tax) <sup>2 3</sup>	1,292.4	735.2	487.2
Fermented malt liquors <sup>2</sup>	714.5	504.0	210.5
Rectification tax <sup>2</sup>	11.5	11.5	—
Wines (domestic and imported) (excise tax) <sup>2</sup>	97.7	36.6	61.1
Special taxes in connection with liquor occupations	11.0	11.0	—
Container stamps	9.4	9.4	—
Floor stocks taxes	.6	.6	—
All other	1.6	1.6	—
Total liquor taxes	2,068.7	1,309.9	758.8
Tobacco taxes:			
Cigarettes (small) <sup>2</sup>	1,264.1	892.8	371.3
Tobacco (chewing and smoking) <sup>2</sup>	85.0	45.0	40.0
Cigars (large) <sup>2</sup>	99.5	31.7	67.7
Snuff	13.2	7.0	6.2
Cigarette papers and tubes	1.3	1.3	—
All other <sup>2</sup>	.1	.1	—
Total tobacco taxes	1,463.2	977.9	485.2
Stamp taxes:			
Issues of securities, bond transfers, and deeds of conveyance	25.0	25.0	—
Stock transfers	19.0	19.0	—
Playing cards <sup>2</sup>	7.5	7.5	—
Silver bullion sales or transfers	( <sup>4</sup> )	( <sup>4</sup> )	—
Total stamp taxes	51.6	51.6	—
Manufacturers' excise taxes:			
Gasoline	251.1	251.1	—
Lubricating oils	54.3	54.3	—
Passenger automobiles and motorcycles	.9	.9	—
Automobile trucks, busses, and trailers	3.5	3.5	—
Parts and accessories for automobiles	25.0	25.0	—
Tires and inner tubes	40.0	40.0	—
Electrical energy	48.5	48.5	—
Electric, gas, and oil appliances	3.6	3.6	—
Electric light bulbs	5.0	5.0	—
Radio receiving sets, phonographs, phonograph records, and musical instruments	3.5	3.5	—
Refrigerators, refrigerating apparatus, and air-conditioners	1.1	1.1	—
Business and store machines	2.8	2.8	—
Photographic apparatus	11.9	11.9	—
Matches	10.5	10.5	—
Luggage <sup>5</sup>	—	5.0	—5.0
Sporting goods	2.0	2.0	—
Firearms, shells, pistols, and revolvers	.8	.8	—
Candy and chewing gum	190.0	—	190.0
Soft drinks	177.0	—	177.0
Total manufacturers' excise taxes	831.5	469.5	362.0
Retailers' excise taxes:			
Jewelry, etc.	256.5	89.2	167.3
Furs	93.0	38.2	54.8
Toilet preparations	86.4	35.0	51.4
Luggage, <sup>5</sup> handbags, wallets, etc.	58.4	—	58.4
Total retailers' excise taxes	494.3	162.4	331.9

Footnotes at end of table.

EXHIBIT B.—TENTATIVE ESTIMATED TAX LIABILITY UNDER THE PROPOSAL AS COMPARED WITH THE TAX LIABILITY UNDER THE PRESENT LAW FOR A FULL YEAR OF OPERATION <sup>1</sup>—continued

[In millions of dollars]

General and special accounts	Yield of tax program	Yield of present law	Increase or decrease (—) over yield of present law
1. Internal revenue—Continued.			
(2) Miscellaneous internal revenue—Continued.			
Taxes on commodities and services—Continued.			
Miscellaneous taxes:			
Telephone, telegraph, radio, and cable facilities.			
Leased wires, etc.	152.7	121.2	31.5
Telephone bill.	146.7	97.8	48.9
Transportation of oil by pipe line.	14.5	14.5	
Transportation of persons.	351.5	141.8	212.7
Transportation of property.		189.2	—189.2
General admissions.	490.4	163.5	327.0
Cabarets, etc.	110.7	19.4	91.3
Club dues and initiation fees.	11.3	6.2	5.1
Leases of safe deposit boxes.	6.5	6.5	
Use of motor vehicles and boats.	115.5	115.5	
Coconut and other vegetable oils, processed <sup>2</sup> .	2.0	2.0	
Oleomargarine, etc., including special taxes and adulterated butter.	3.1	3.1	
Sugar tax.	61.0	61.0	
Coin-operated amusement and gaming devices.	12.2	12.2	
Bowling alleys and billiard and pool tables.	28.8	1.8	27.0
All other, including repealed taxes <sup>6</sup> .	1.2	1.2	
Total miscellaneous taxes.	1,511.1	956.9	554.3
Total taxes on commodities and services.	6,420.4	3,928.2	2,492.2
Total miscellaneous internal revenue.	7,784.6	4,890.8	2,893.8
(3) Employment taxes:			
Employment by other than carriers:			
Federal Insurance Contributions Act.	2,799.0	2,799.0	
Federal Unemployment Tax Act.	207.0	207.0	
Total.	3,006.0	3,006.0	
Taxes on carriers and their employees (Chap. 9, Subchap. B of the Internal Revenue Code).	262.7	262.7	
Total employment taxes.	3,268.7	3,268.7	
Total internal revenue.	50,723.6	40,163.1	10,560.4
2. Railroad unemployment insurance contributions.	12.1	12.1	
3. Customs.	400.0	400.0	
4. Miscellaneous receipts.	1,014.2	1,014.2	
Total yield, general and special accounts.	52,149.9	41,589.4	10,560.4
Effect of possible post-war credits:			
Amounts of post-war credits:			
Suggestion I <sup>7</sup> .	2,268.8		
Suggestion II <sup>8</sup> .	3,506.7		
Total yield, general and special accounts:			
Suggestion I <sup>7</sup> .	49,881.1	41,589.4	8,291.6
Suggestion II <sup>8</sup> .	48,643.2	41,589.4	7,053.7

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Estimates of the yield of the tax program and of present law are at levels of income estimated for the calendar year 1944 with one exception. The estimate of miscellaneous receipts is the one for receipts in the fiscal year 1944 contained in the Summation of the 1944 Budget released Aug. 1, 1943.

<sup>2</sup> Collections for credit to trust funds are not included.

<sup>3</sup> These estimates are after allowances for drawbacks of \$27.6 millions under the proposal and of \$14.8 millions under present law.

<sup>4</sup> Less than \$0.05 million.

<sup>5</sup> The tax on luggage has been changed from a manufacturers' excise to a retailers' excise tax.

<sup>6</sup> Includes collections from taxes on narcotics; taxes under the National Firearms Act; and the tax on hydraulic mining, all of which are effective currently. In addition includes collections from repealed taxes not reinstated by the Revenue Act of 1941 and collections from the following excise taxes repealed by the Revenue Act of 1942: Rubber articles, electric signs, optical equipment, and washing machines.

<sup>7</sup> Post-war credit, suggestion I, 50 percent of the first \$50 of individual income tax, 25 percent of the next \$50 of tax, and 5 percent of the tax in excess of \$100, the maximum post-war credit not to exceed \$250.

<sup>8</sup> Post-war credit, suggestion II, 50 percent of the first \$50 of individual income tax, 25 percent of the next \$150 of tax, and 10 percent of the tax in excess of \$200, the maximum post-war credit not to exceed \$400.

## EXHIBIT C.—SUMMARY OF INDIVIDUAL INCOME TAX PROPOSALS

(Effective January 1, 1944, except as indicated)

1. Repeal Victory tax.
2. Repeal earned-income credit.
3. Reduce exemptions for married persons and heads of families from \$1,200 to \$1,100, lower the dependent credit from \$350 to \$300, the single person exemptions remaining unchanged.
4. Increase surtax rates throughout the scale.
5. Extend withholding to salaries and wages in excess of the first bracket surtax net income to collect substantially the full liability with respect to the higher salary and wage brackets.
6. For 1943, change the Victory tax to accord with the assumption that all post-war credits are taken currently.

A post-war credit to apply primarily at the lower levels of income is suggested as a possibility for the committee's consideration. One suggestion is to refund 2.27 billion dollars. The other is to refund 3.51 billion dollars. The post-war credit resulting in a refund of 2.27 billion dollars is as follows: 50 percent of the first \$50 of tax, plus 25 percent of the next \$50, plus 5 percent of the balance, with a maximum credit of \$250. The post-war credit resulting in a refund of 3.51 billion dollars is as follows: 50 percent of the first \$50 of tax, plus 25 percent of the next \$150 of tax, plus 10 percent of the balance, with a maximum credit of \$400.

TABLE a.—Comparison of individual surtax rate schedule under present law and Treasury proposal<sup>1</sup>

Surtax net income	Bracket rate		Total cumulative surtax	
	Present law	Proposal	Present law	Proposal
	<i>Percent</i>	<i>Percent</i>		
\$0 to \$500.....	13	21	\$65	\$105
\$500 to \$1,000.....	13	24	130	225
\$1,000 to \$1,500.....	13	27	195	360
\$1,500 to \$2,000.....	13	30	260	510
\$2,000 to \$4,000.....	16	35	580	1,210
\$4,000 to \$6,000.....	20	40	980	2,010
\$6,000 to \$8,000.....	24	45	1,460	2,910
\$8,000 to \$10,000.....	28	49	2,020	3,890
\$10,000 to \$12,000.....	32	53	2,660	4,950
\$12,000 to \$14,000.....	36	57	3,380	6,090
\$14,000 to \$16,000.....	40	61	4,180	7,310
\$16,000 to \$18,000.....	43	65	5,040	8,610
\$18,000 to \$20,000.....	46	68	5,960	9,970
\$20,000 to \$22,000.....	49	71	6,940	11,390
\$22,000 to \$26,000.....	52	74	9,020	14,350
\$26,000 to \$32,000.....	55	77	12,320	18,970
\$32,000 to \$38,000.....	58	79	15,800	23,710
\$38,000 to \$44,000.....	61	81	19,400	28,570
\$44,000 to \$50,000.....	63	83	23,240	33,550
\$50,000 to \$60,000.....	66	85	29,840	42,050
\$60,000 to \$70,000.....	69	86	36,740	50,650
\$70,000 to \$80,000.....	72	87	43,940	59,350
\$80,000 to \$90,000.....	75	88	51,440	68,150
\$90,000 to \$100,000.....	77	89	59,140	77,050
\$100,000 to \$150,000.....	79	90	98,640	122,050
\$150,000 to \$200,000.....	81	90	139,140	167,050
\$200,000 and over.....	82	90		
Normal tax.....	6	6		

<sup>1</sup> Under the proposal, the Victory tax and earned-income credit are eliminated. The proposed exemptions are \$500 for a single person, \$1,100 for a married couple, and \$300 for each dependent; under present law, the exemptions are \$500, \$1,200, and \$350, respectively.

TABLE b.—Amounts and effective rates of individual income tax under present law and Treasury proposal

## MARRIED PERSON—NO DEPENDENTS

Exemptions: Present law, \$1,200; proposal, \$1,100

Net income before personal exemption	Amounts of tax		Effective rates	
	Present law, including net Victory tax <sup>1</sup>	Proposal, gross tax <sup>2</sup>	Present law, including net Victory tax <sup>1</sup>	Proposal, gross tax <sup>2</sup>
			Percent	Percent
\$1,000.....	\$15		1.5	
\$1,250.....	29	\$41	2.3	3.2
\$1,500.....	79	108	5.3	7.2
\$1,750.....	134	180	7.7	10.3
\$2,000.....	188	255	9.4	12.8
\$2,250.....	242	335	10.8	14.9
\$2,500.....	297	417	11.9	16.7
\$2,750.....	351	504	12.8	18.3
\$3,000.....	405	594	13.5	19.8
\$4,000.....	647	999	16.2	25.0
\$5,000.....	894	1,409	17.9	28.2
\$6,000.....	1,173	1,864	19.6	31.1
\$8,000.....	1,780	2,829	22.3	35.4
\$10,000.....	2,467	3,885	24.7	38.9
\$15,000.....	4,533	6,867	30.2	45.8
\$20,000.....	7,100	10,356	35.5	51.8
\$25,000.....	10,035	14,230	40.1	56.9
\$50,000.....	27,075	35,571	54.2	71.1
\$75,000.....	46,955	58,477	62.6	78.0
\$100,000.....	68,584	82,005	68.6	82.0
\$500,000.....	440,747	465,994	88.1	93.2
\$1,000,000.....	<sup>3</sup> 899,000	945,994	<sup>3</sup> 89.9	94.6
\$5,000,000.....	<sup>3</sup> 4,499,000	4,785,994	<sup>3</sup> 90.0	95.7

<sup>1</sup> Maximum earned-income credit assumed. Victory tax net income assumed to be ten-ninths of net income.<sup>2</sup> Victory tax and earned-income credit eliminated.<sup>3</sup> Taking into account maximum effective rate limitation of 90 percent.

## EXHIBIT D

TABLE a.—Comparison of estate tax rate schedule under present law and Treasury proposal <sup>1</sup>

Net estate after specific exemption <sup>2</sup>	Bracket rate		Total cumulative estate tax	
	Present law	Proposal	Present law	Proposal
	Percent	Percent		
Not over \$5,000.....	3	5	\$150	\$250
\$5,000-\$10,000.....	7	8	500	650
\$10,000-\$15,000.....	11	12	1,050	1,250
\$15,000-\$20,000.....	11	16	1,600	2,050
\$20,000-\$30,000.....	14	20	3,000	4,050
\$30,000-\$40,000.....	18	24	4,800	6,450
\$40,000-\$50,000.....	22	28	7,000	9,250
\$50,000-\$60,000.....	25	31	9,500	12,350
\$60,000-\$70,000.....	28	34	12,300	15,750
\$70,000-\$100,000.....	28	37	20,700	26,850
\$100,000-\$150,000.....	30	40	35,700	46,850
\$150,000-\$200,000.....	30	43	50,700	68,350
\$200,000-\$250,000.....	30	45	65,700	90,850
\$250,000-\$300,000.....	32	48	81,700	114,850
\$300,000-\$350,000.....	32	51	97,700	140,350
\$350,000-\$400,000.....	32	54	113,700	167,350
\$400,000-\$450,000.....	32	57	129,700	195,850
\$450,000-\$500,000.....	32	60	145,700	225,850
\$500,000-\$600,000.....	35	63	180,700	288,850
\$600,000-\$700,000.....	35	66	215,700	354,850
\$700,000-\$800,000.....	35-37	69	251,700	423,850
\$800,000-\$900,000.....	37	72	288,700	495,850
\$900,000-\$1,000,000.....	37	75	325,700	570,850
\$1,000,000-\$1,250,000.....	39	78	423,200	765,850
\$1,250,000-\$1,500,000.....	42	79	528,200	963,350
\$1,500,000-\$2,000,000.....	45	80	753,200	1,363,350
\$2,000,000-\$2,500,000.....	49	80	998,200	1,763,350
\$2,500,000-\$3,000,000.....	53	80	1,263,200	2,163,350
\$3,000,000-\$4,000,000.....	56-59	80	1,838,200	2,963,350
\$4,000,000-\$5,000,000.....	63	80	2,468,200	3,763,350
\$5,000,000-\$6,000,000.....	67	80	3,138,200	4,563,350
\$6,000,000-\$7,000,000.....	70	80	3,838,200	5,363,350
\$7,000,000-\$8,000,000.....	73	80	4,568,200	6,163,350
\$8,000,000-\$9,000,000.....	76	80	5,328,200	6,963,350
\$9,000,000-\$10,000,000.....	76	80	6,088,200	7,763,350
Over \$10,000,000.....	77	80		

<sup>1</sup> Before deduction of credit for State death taxes.<sup>2</sup> The specific exemption under present law is \$60,000, under the proposal \$40,000.

TABLE b.—Amounts and effective rates of estate tax under present law and Treasury proposal<sup>1</sup>

Net estate before specific exemption <sup>2</sup>	Amounts of tax			Effective rates		
	Present law	Proposal	Increase in tax	Present law	Proposal	Increase in effective rates
				Percent	Percent	Percent
\$50,000.....	0	\$650	\$650	-----	1.3	1.3
\$60,000.....	0	2,050	2,050	-----	3.4	3.4
\$80,000.....	\$1,600	6,450	4,850	2.0	8.1	6.1
\$100,000.....	4,800	12,350	7,550	4.8	12.4	7.6
\$150,000.....	17,900	30,850	12,950	11.9	20.6	8.6
\$200,000.....	32,700	51,150	18,450	16.4	25.6	9.2
\$400,000.....	94,500	145,750	51,250	23.6	36.4	12.8
\$600,000.....	159,700	263,650	103,950	26.6	43.9	17.3
\$800,000.....	229,700	396,250	166,550	28.7	49.5	20.8
\$1,000,000.....	303,500	540,850	237,350	30.4	54.1	23.7
\$2,000,000.....	726,200	1,331,350	605,150	36.3	66.6	30.3
\$4,000,000.....	1,802,800	2,931,350	1,128,550	45.1	73.3	28.2
\$6,000,000.....	3,098,000	4,531,350	1,433,350	51.6	75.5	23.9
\$10,000,000.....	6,042,600	7,731,350	1,688,750	60.4	77.3	16.9
\$20,000,000.....	13,742,000	15,731,350	1,989,350	68.7	78.7	9.9
\$40,000,000.....	29,142,000	31,731,350	2,589,350	72.9	79.3	6.5
\$100,000,000.....	75,342,000	79,731,350	4,389,350	75.3	79.7	4.4

<sup>1</sup> Before deduction of credit for State death taxes.<sup>2</sup> The specific exemption under the present law is \$60,000, under the proposal \$40,000.

TABLE c.—Estate and gift tax collections as a percent of total net receipts, fiscal years 1917-44

[Dollar amounts in millions]

Fiscal year	Estate tax	Gift tax	Total estate and gift taxes	Net receipts	Total estate and gift taxes as percentage of net receipts
1917.....	\$6.1	-----	\$6.1	\$1,124.3	0.54
1918.....	47.5	-----	47.5	3,664.6	1.30
1919.....	82.0	-----	82.0	5,152.3	1.59
1920.....	103.6	-----	103.6	6,694.6	1.55
1921.....	154.0	-----	154.0	5,624.9	2.74
1922.....	139.4	-----	139.4	4,109.1	3.39
1923.....	126.7	-----	126.7	4,007.1	3.16
1924.....	103.0	-----	103.0	4,012.0	2.57
1925.....	101.4	\$7.5	108.9	3,780.1	2.88
1926.....	116.0	3.2	119.2	3,962.8	3.01
1927.....	100.3	-----	100.3	4,129.4	2.43
1928.....	60.1	-----	60.1	4,042.3	1.49
1929.....	61.9	-----	61.9	4,033.3	1.53
1930.....	64.8	-----	64.8	4,177.9	1.55
1931.....	48.1	-----	48.1	3,190.0	1.51
1932.....	47.4	-----	47.4	2,005.7	2.36
1933.....	29.7	4.6	34.3	2,079.7	1.65
1934.....	104.0	9.2	113.2	3,115.6	3.63
1935.....	140.4	71.7	212.1	3,800.5	5.58
1936.....	218.8	160.1	378.9	4,116.0	9.21
1937.....	281.6	23.9	305.5	5,028.8	6.08
1938.....	382.2	34.7	416.9	5,854.7	7.12
1939.....	332.3	28.4	360.7	5,164.8	6.98
1940.....	330.9	29.2	360.1	5,387.1	6.68
1941.....	355.2	51.9	407.1	7,607.2	5.35
1942.....	340.3	92.2	432.5	12,799.1	3.38
1943.....	414.5	33.0	447.5	22,071.6	2.03
1944 (estimated).....	511.8	44.8	556.6	38,147.9	1.46

SOURCE.—Annual Report of the Secretary of the Treasury, 1942, and Statement of the President on the Summation of the 1944 Budget, July 27, 1943.

## EXHIBIT E

TABLE a.—*Corporation income and excess-profits tax rates under present law and Treasury proposal*  
1. NORMAL TAX RATES

Corporation income	Present rates	Proposed rates
	<i>Percent</i>	<i>Percent</i>
Domestic corporations with normal-tax net income not over \$50,000:		
First \$5,000.....	15	No change
Next \$15,000.....	17	
Next \$5,000.....	19	
Next \$25,000 (notch).....	31	
Domestic corporations with normal-tax net income over \$50,000: Flat rate.....	24	

## 2. SURTAX RATES

Corporations with surtax net income not over \$50,000:		
First \$25,000.....	10	14
Next \$25,000 (notch).....	22	38
Corporations with surtax net income over \$50,000: Flat rate.....	16	26

## 3. COMBINED NORMAL AND SURTAX RATES

Domestic corporations with net income <sup>2</sup> not over \$50,000:		
First \$25,000.....	25-29	29-33
Next \$25,000 (notch).....	53	69
Corporations with net income <sup>2</sup> over \$50,000: Flat rate.....	40	50

4. EXCESS-PROFITS TAX RATES <sup>3</sup>

Adjusted excess-profits net income: Flat rate.....	<sup>4</sup> 90	No change.
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<sup>1</sup> And foreign corporations engaged in business within the United States irrespective of amount of normal tax income.

<sup>2</sup> Assuming that normal-tax net income and surtax net income are identical.

<sup>3</sup> Combined normal tax, surtax and excess-profits tax (before deduction of post-war credit) is limited to 80 percent of surtax net income (before credit for adjusted excess-profits net income).

<sup>4</sup> With post-war refund of 10 percent of tax.

TABLE b.—*Net income, tax liabilities and dividends of net income corporations*  
[In millions of dollars]

	Actual						Estimated		
	1936	1937	1938	1939	1940	1941 <sup>1</sup>	1942	1943	1944
Net income <sup>2</sup> .....	7,222	7,334	5,100	7,248	9,431	15,894	20,850	23,400	25,500
Income and excess-profits taxes:									
Income tax.....	1,025	1,057	854	1,216	2,144	3,745	4,300	4,500	4,700
Undistributed-profits tax.....	145	176							
Excess-profits tax (after deduction of entire post-war credit).....					374	3,357	7,350	8,850	9,800
Declared value excess-profits tax.....	22	43	6	16	31	64	100	100	100
Total income and excess-profits taxes.....	1,191	1,276	860	1,232	2,549	<sup>3</sup> 7,166	<sup>3</sup> 11,750	<sup>3</sup> 13,450	<sup>3</sup> 14,600
Net income after taxes.....	6,031	6,058	4,240	6,016	6,882	8,728	9,100	9,950	10,900
Net dividends paid <sup>4</sup> .....	4,675	4,794	3,155	3,783	4,036	4,426	4,000	3,900	4,000
Net income retained.....	1,356	1,264	1,085	2,233	2,846	4,302	5,100	6,050	6,900

NOTE.—Figures are rounded and will not necessarily add to totals.

Source for years 1936-41: Statistics of Income.

<sup>1</sup> Preliminary figures.

<sup>2</sup> Excludes dividends received, includes both partially and wholly tax-exempt interest; net operating loss is deducted.

<sup>3</sup> Excludes the effect of the carry-back of net operating losses and the carry-back of unused excess-profits credit.

<sup>4</sup> Dividends paid to stockholders other than domestic corporations; includes cash and assets other than companies' own stock.

## EXHIBIT F.—EXCISE TAX PROPOSALS

Article or service	Present tax			Proposed tax			Estimated additional revenue from proposals (in millions) <sup>1</sup>	
1. Distilled spirits.....	\$6 per gallon (draw-back of \$3.75 per gallon on nonbeverage alcohol).			\$10 per gallon (draw-back of \$7 per gallon on nonbeverage alcohol).			<sup>2</sup> \$487.2	
2. Beer.....	\$7 per barrel.....			\$10 per barrel.....			210.5	
3. Wine:								
(a) Still:								
Under 14 percent alcohol.....	10 cents per gallon.....			50 cents per gallon.....			61.1	
14 to 21 percent alcohol.....	40 cents per gallon.....			\$1 per gallon.....				
Over 21 percent alcohol.....	\$1 per gallon.....			\$2 per gallon.....				
(b) Sparkling.....	10 cents per half pint.....			20 cents per half pint.....			371.3	
(c) Other.....	5 cents per half pint.....			10 cents per half pint.....				
4. Cigarettes.....	\$3.50 per thousand.....			\$5 per thousand.....				
5. Cigars.....	Intended retail price—		Tax per thousand	Intended retail price—		Tax per thousand	67.7	
	Over	Not over		Over	Not over			
	<i>Cents</i>	<i>Cents</i>		<i>Cents</i>	<i>Cents</i>			
	21 <sup>1</sup> / <sub>2</sub>	21 <sup>1</sup> / <sub>2</sub>	\$2.50	31 <sup>1</sup> / <sub>2</sub>	31 <sup>1</sup> / <sub>2</sub>	\$12.50		
	21 <sup>1</sup> / <sub>2</sub>	4	3.00	31 <sup>1</sup> / <sub>2</sub>	5	13.00		
	4	6	4.00	5	7	14.00		
	6	8	7.00	7	9	17.00		
	8	15	10.00	9	17	30.00		
	15	20	15.00	17	22	35.00		
	20	-----	20.00	22	-----	40.00		
6. Chewing and smoking tobacco and snuff.....	18 cents per pound.....			34 cents per pound.....			46.2	
7. General admissions.....	1 cent per 10 cents.....			3 cents per 10 cents.....			327.0	
8. Cabarets.....	5 percent of charge.....			30 percent of charge.....			91.3	
9. Club dues and initiation fees.....	11 percent of charge.....			20 percent of charge.....			5.1	
10. Bowling alleys, billiard parlors.....	\$10 per alley.....			20 percent of charge.....			27.0	
	(\$10 per table.....			\$20 per table.....				
11. Transportation of persons.....	10 percent of charge.....			25 percent of charge.....			212.7	
12. Communications:								
(a) Toll service.....	20 percent of charge.....			do.....			31.5	
(b) Telegraph, etc.:								
(1) Domestic.....	15 percent of charge.....			20 percent of charge.....				
(2) International.....	10 percent of charge.....			10 percent of charge.....				
(c) Leased wires, etc.....	15 percent of charge.....			20 percent of charge.....				
13. Local telephone service.....	10 percent of charge.....			15 percent of charge.....			48.9	
14. Jewelry.....	10 percent of retail price.....			30 percent of retail price.....			167.3	
15. Fur and fur-trimmed articles.....	do.....			25 percent of retail price.....			54.8	
16. Luggage, handbags, wallets, etc.....	10 percent of manufacturers' sales price on luggage only.....			do.....			53.4	
17. Toilet preparations.....	10 percent of retail price.....			25 percent of retail price.....			51.4	
18. Soft drinks.....	None.....			Bottled drinks, 1 cent per each 5 cents of intended retail price; the equivalent taxes of \$1 per gallon on sirup and 25 cents per pound on carbonic acid gas used in unbottled soft drinks.....			177.0	
19. Candy and chewing gum.....	None.....			Articles intended to retail from 5 to 15 cents per bar or package, 1 cent per each 5 cents of intended retail price; other items, the equivalent tax of 35 percent of manufacturers' sales price.....			190.0	
Total additional revenue, items 1 to 19.....							2,681.4	
20. Less repeal of tax on transportation of property.....							-189.2	
Total additional revenue, items 1 to 20.....							2,492.2	

<sup>1</sup> Estimates of additional revenue are for a full year of operation at levels of business estimated for calendar year 1944.

<sup>2</sup> Estimated additional net revenue yield after allowance for increased drawback on nonbeverage alcohol of \$12.8 million.

EXHIBIT G.—POST-WAR CREDIT, SUGGESTION I <sup>1</sup>

TABLE a.—Amounts of individual income tax under present law and proposal

## SINGLE PERSON—NO DEPENDENTS

Exemptions: Present law, \$500; proposal, \$500

Net income before personal exemption	Present law, including net Victory tax <sup>2</sup>	Proposal <sup>3</sup>			Increase in net tax
		Gross tax	Post-war credit, suggestion I <sup>1</sup>	Net tax	
\$600.....	\$17	\$27	\$14	\$14	—\$3
\$800.....	62	81	33	48	—14
\$900.....	85	108	38	70	—15
\$1,000.....	107	135	39	96	—11
\$1,100.....	130	165	41	124	—6
\$1,200.....	153	195	42	153	0
\$1,500.....	220	285	47	238	18
\$1,600.....	243	318	48	270	27
\$2,000.....	333	450	55	395	62
\$2,500.....	446	630	64	566	120
\$3,000.....	574	835	74	761	187
\$4,000.....	829	1,245	95	1,150	321
\$5,000.....	1,105	1,680	117	1,564	459
\$6,000.....	1,401	2,140	140	2,001	600
\$8,000.....	2,052	3,135	189	2,946	894
\$10,000.....	2,783	4,215	243	3,972	1,189
\$12,500.....	3,802	5,670	250	5,420	1,618
\$15,000.....	4,968	7,265	250	7,015	2,047
\$20,000.....	7,626	10,800	250	10,550	2,924
\$25,000.....	10,644	14,710	250	14,460	3,816
\$50,000.....	28,058	36,105	250	35,855	7,797
\$75,000.....	48,001	59,035	250	58,785	10,784
\$100,000.....	69,665	82,575	250	82,325	12,660
\$500,000.....	441,863	466,570	250	466,320	24,457
\$1,000,000.....	<sup>4</sup> 899,500	946,570	250	946,320	46,820
\$5,000,000.....	<sup>4</sup> 4,499,500	4,786,570	250	4,786,320	286,820

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> The post-war credit under suggestion I, resulting in a refund of 2.27 billion dollars, is as follows: 50 percent of the first \$50 of tax; 25 percent of the next \$50; and 5 percent of the balance; the maximum credit not to exceed \$250.<sup>2</sup> Maximum earned-income credit assumed. Victory-tax net income assumed to be ten-ninths of net income.<sup>3</sup> Victory tax and earned-income credit eliminated.<sup>4</sup> Taking into account maximum effective rate limitation of 90 percent.

TABLE b.—Effective rates of individual income tax under present law and proposal

## SINGLE PERSON—NO DEPENDENTS

Exemptions: Present law, \$500; proposal, \$500

Net income before personal exemption	Present law, including net Victory tax <sup>1</sup>	Proposal <sup>3</sup>			Increase in net tax
		Gross tax	Post-war credit, suggestion I <sup>3</sup>	Net tax	
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
\$600.....	2.8	4.5	2.3	2.3	—0.5
\$800.....	7.8	10.1	4.1	6.0	—1.8
\$900.....	9.4	12.0	4.2	7.8	—1.6
\$1,000.....	10.7	13.5	3.9	9.6	—1.1
\$1,100.....	11.8	15.0	3.7	11.3	— .5
\$1,200.....	12.8	16.3	3.5	12.7	0.0
\$1,500.....	14.7	19.0	3.1	15.9	1.2
\$1,600.....	15.2	19.9	3.0	16.9	1.7
\$2,000.....	16.7	22.5	2.8	19.8	3.1
\$2,500.....	17.8	25.2	2.6	22.6	4.8
\$3,000.....	19.1	27.8	2.5	25.4	6.3
\$4,000.....	20.7	31.1	2.4	28.8	8.1
\$5,000.....	22.1	33.6	2.3	31.3	9.2
\$6,000.....	23.4	35.7	2.3	33.3	9.9
\$8,000.....	25.7	39.2	2.4	36.8	11.1

Footnotes at end of table.



TABLE b.—Effective rates of individual income tax under present law and proposal—Continued

Net income before personal exemption	Present law, including net Victory tax <sup>1</sup>	Proposal <sup>2</sup>			Increase in net tax
		Gross tax	Post-war credit, suggestion I <sup>3</sup>	Net tax	
	Percent	Percent	Percent	Percent	Percent
\$10,000.....	27.8	42.2	2.4	39.7	11.9
\$12,500.....	30.4	45.4	2.0	43.4	13.0
\$15,000.....	33.1	48.4	1.7	46.8	13.7
\$20,000.....	38.1	54.0	1.3	52.8	14.7
\$25,000.....	42.6	58.8	1.0	57.8	15.2
\$50,000.....	56.1	72.2	.5	71.7	15.6
\$75,000.....	64.0	78.7	.3	78.4	14.4
\$100,000.....	69.7	82.6	.3	82.3	12.6
\$500,000.....	88.4	93.3	.1	93.3	4.9
\$1,000,000.....	<sup>4</sup> 90.0	94.7	( <sup>5</sup> )	94.6	4.6
\$5,000,000.....	<sup>4</sup> 90.0	95.7	( <sup>5</sup> )	95.7	5.7

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Maximum earned-income credit assumed. Victory-tax net income assumed to be ten-ninths of net income.

<sup>2</sup> Victory tax and earned-income credit eliminated.

<sup>3</sup> 50 percent of the first \$50 of tax; 25 percent of the next \$50; and 5 percent of the balance; the maximum credit not to exceed \$250.

<sup>4</sup> Taking into account maximum effective rate limitation of 90 percent.

<sup>5</sup> Less than 0.05 percent.

TABLE c.—Amounts of individual income tax under present law and proposal

## MARRIED PERSON—NO DEPENDENTS

Exemptions: Present law, \$1,200; proposal, \$1,100

Net income before personal exemption	Present law, including net Victory tax <sup>1</sup>	Proposal <sup>2</sup>			Increase in net tax
		Gross tax	Post-war credit, suggestion I <sup>3</sup>	Net tax	
\$1,000.....	\$15				—\$15
\$1,250.....	29	\$41	\$20	\$20	—9
\$1,500.....	79	108	38	70	—9
\$1,750.....	134	180	42	139	5
\$2,000.....	188	255	45	210	22
\$2,250.....	242	335	49	285	43
\$2,500.....	297	417	53	364	67
\$2,750.....	351	504	58	446	95
\$3,000.....	405	594	62	532	127
\$4,000.....	647	999	82	917	270
\$5,000.....	894	1,409	103	1,306	412
\$6,000.....	1,173	1,864	126	1,738	565
\$8,000.....	1,780	2,829	174	2,655	875
\$10,000.....	2,467	3,885	227	3,658	1,191
\$15,000.....	4,533	6,867	250	6,617	2,084
\$20,000.....	7,100	10,356	250	10,106	3,006
\$25,000.....	10,035	14,230	250	13,980	3,945
\$50,000.....	27,075	35,571	250	35,321	8,246
\$75,000.....	46,955	58,477	250	58,227	11,272
\$100,000.....	68,584	82,005	250	81,755	13,171
\$500,000.....	440,747	465,994	250	465,744	24,997
\$1,000,000.....	<sup>4</sup> 899,000	945,994	250	945,744	46,744
\$5,000,000.....	<sup>4</sup> 4,499,000	4,785,994	250	4,785,744	286,744

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Maximum earned-income credit assumed. Victory-tax net income assumed to be ten-ninths of net income.

<sup>2</sup> Victory tax and earned-income credit eliminated.

<sup>3</sup> 50 percent of the first \$50 of tax; 25 percent of the next \$50; and 5 percent of the balance; the maximum credit not to exceed \$250.

<sup>4</sup> Taking into account maximum effective rate limitation of 90 percent.

TABLE d.—*Effective rates of individual income tax under present law and proposal*

## MARRIED PERSON—NO DEPENDENTS

Exemptions: Present law, \$1,200; proposal, \$1,100

Net income before personal exemption	Present law, including net Victory tax <sup>1</sup>	Proposal <sup>2</sup>			Increase in net tax
		Gross tax	Post-war credit, suggestion I <sup>3</sup>	Net tax	
	Percent	Percent	Percent	Percent	Percent
\$1,000.....	1.5				-1.5
\$1,250.....	2.3	3.2	1.6	1.6	- .7
\$1,500.....	5.3	7.2	2.5	4.7	- .6
\$1,750.....	7.7	10.3	2.4	7.9	.2
\$2,000.....	9.4	12.8	2.3	10.5	1.1
\$2,250.....	10.8	14.9	2.2	12.7	1.9
\$2,500.....	11.9	16.7	2.1	14.5	2.6
\$2,750.....	12.8	18.3	2.1	16.2	3.4
\$3,000.....	13.5	19.8	2.1	17.7	4.2
\$4,000.....	16.2	25.0	2.1	22.9	6.7
\$5,000.....	17.9	28.2	2.1	26.1	8.2
\$6,000.....	19.6	31.1	2.1	29.0	9.4
\$8,000.....	22.3	35.4	2.2	33.2	10.9
\$10,000.....	24.7	38.9	2.3	36.6	11.9
\$15,000.....	30.2	45.8	1.7	44.1	13.9
\$20,000.....	35.5	51.8	1.3	50.5	15.0
\$25,000.....	40.1	56.9	1.0	55.9	15.8
\$50,000.....	54.2	71.1	.5	70.6	16.1
\$75,000.....	62.6	78.0	.3	77.6	15.0
\$100,000.....	68.6	82.0	.3	81.8	13.2
\$500,000.....	88.1	93.2	.1	93.1	5.0
\$1,000,000.....	<sup>4</sup> 89.9	94.6	( <sup>5</sup> )	94.6	4.7
\$5,000,000.....	<sup>4</sup> 90.0	95.7	( <sup>5</sup> )	95.7	5.7

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Maximum earned-income credit assumed. Victory-tax net income assumed to be ten-ninths of net income.<sup>2</sup> Victory tax and earned-income credit eliminated.<sup>3</sup> 50 percent of the first \$50 of tax; 25 percent of the next \$50; and 5 percent of the balance; the maximum credit not to exceed \$250.<sup>4</sup> Taking into account maximum effective rate limitation of 90 percent. <sup>5</sup> Less than 0.05 percent.TABLE e.—*Amounts of individual income tax under present law and proposal*

## MARRIED PERSON—TWO DEPENDENTS

Exemptions: Present law, \$1,200; proposal, \$1,100

Credit for each dependent: Present law, \$350; proposal, \$300

Net income before personal exemption	Present law, including net Victory tax <sup>1</sup>	Proposal <sup>2</sup>			Increase in net tax
		Gross tax	Post-war credit, suggestion I <sup>3</sup>	Net tax	
\$1,800.....	\$39	\$27	\$14	\$14	—\$25
\$2,000.....	58	81	33	48	—10
\$2,300.....	116	165	41	124	8
\$2,500.....	159	225	44	181	22
\$3,000.....	267	384	52	332	65
\$4,000.....	485	753	70	683	198
\$5,000.....	730	1,163	91	1,072	342
\$6,000.....	979	1,588	112	1,476	497
\$8,000.....	1,553	2,523	159	2,364	811
\$10,000.....	2,208	3,555	210	3,345	1,137
\$12,500.....	3,144	4,962	250	4,712	1,568
\$15,000.....	4,207	6,489	250	6,239	2,032
\$20,000.....	6,693	9,912	250	9,662	2,969
\$25,000.....	9,574	13,750	250	13,500	3,926
\$50,000.....	26,392	35,037	250	34,787	8,395
\$75,000.....	46,209	57,919	250	57,669	11,460
\$100,000.....	67,803	81,435	250	81,185	13,382
\$500,000.....	439,931	465,418	250	465,168	25,237
\$1,000,000.....	<sup>4</sup> 898,800	945,418	250	945,168	46,368
\$5,000,000.....	<sup>4</sup> 4,498,800	4,785,418	250	4,785,168	286,368

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Maximum earned-income credit assumed. Victory-tax net income assumed to be ten-ninths of net income.<sup>2</sup> Victory tax and earned-income credit eliminated.<sup>3</sup> 50 percent of the first \$50 of tax; 25 percent of the next \$50; and 5 percent of the balance; the maximum credit not to exceed \$250.<sup>4</sup> Taking into account maximum effective rate limitation of 90 percent.

TABLE f.—*Effective rates of individual income tax under present law and proposal*

## MARRIED PERSON—TWO DEPENDENTS

Exemptions: Present law, \$1,200; proposal, \$1,100

Credit for each dependent: Present law, \$350; proposal, \$300

Net income before personal exemption	Present law, including net Victory tax <sup>1</sup>	Proposal <sup>2</sup>			Increase in net tax
		Gross tax	Post-war credit, suggestion 1 <sup>3</sup>	Net tax	
	Percent	Percent	Percent	Percent	Percent
\$1,800.....	2.2	1.5	0.8	0.8	-1.4
\$2,000.....	2.9	4.1	1.6	2.4	-1.5
\$2,300.....	5.0	7.2	1.8	5.4	.4
\$2,500.....	6.4	9.0	1.8	7.3	.9
\$3,000.....	8.9	12.8	1.7	11.1	2.2
\$4,000.....	12.1	18.8	1.8	17.1	5.0
\$5,000.....	14.6	23.3	1.8	21.4	6.8
\$6,000.....	16.3	26.5	1.9	24.6	8.3
\$8,000.....	19.4	31.5	2.0	29.6	10.2
\$10,000.....	22.1	35.6	2.1	33.4	11.3
\$12,500.....	25.2	39.7	2.0	37.7	12.5
\$15,000.....	28.0	43.3	1.7	41.6	13.6
\$20,000.....	33.5	49.6	1.3	48.3	14.8
\$25,000.....	38.3	55.0	1.0	54.0	15.7
\$50,000.....	52.8	70.1	.5	69.6	16.8
\$75,000.....	61.6	77.2	.3	76.9	15.3
\$100,000.....	67.8	81.4	.3	81.2	13.4
\$500,000.....	88.0	93.1	.1	93.0	5.0
\$1,000,000.....	<sup>4</sup> 89.9	94.5	( <sup>5</sup> )	94.5	4.6
\$5,000,000.....	<sup>4</sup> 90.0	95.7	( <sup>5</sup> )	95.7	5.7

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Maximum earned-income credit assumed. Victory-tax net income assumed to be ten-ninths of net income.<sup>2</sup> Victory tax and earned-income credit eliminated.<sup>3</sup> 50 percent of the first \$50 of tax; 25 percent of the next \$50; and 5 percent of the balance; the maximum credit not to exceed \$250.<sup>4</sup> Taking into account maximum effective rate limitation of 90 percent.<sup>5</sup> Less than 0.05 percent.TABLE g.—*Amounts of individual income tax and employee social security contribution for 1943, under the present law, and for 1944 under the proposal*

## SINGLE PERSON—NO DEPENDENTS

Exemptions: Present law, \$500; proposal, \$500

Net income before personal exemption	1943	1944 <sup>1</sup>			Increase in net tax, including social security contribution <sup>3</sup> (4) - (1)
	Income tax, <sup>2</sup> including net Victory tax, and 1 percent social security contribution <sup>3</sup>	Income tax (gross) and 2 percent social security contribution <sup>3</sup>	Post-war credit, suggestion 1 <sup>4</sup>	Income tax (net) and 2 percent social security contribution <sup>3</sup>	
	(1)	(2)	(3)	(4)	(5)
\$600.....	\$24	\$40	\$14	\$27	\$3
\$800.....	71	99	33	66	-5
\$900.....	95	128	38	90	-5
\$1,000.....	118	157	39	118	0
\$1,100.....	142	189	41	149	7
\$1,200.....	166	222	42	179	13
\$1,500.....	237	318	47	272	35
\$1,600.....	261	354	48	305	44
\$2,000.....	355	494	55	439	84
\$2,500.....	474	686	64	622	148
\$3,000.....	604	895	74	821	217
\$4,000.....	859	1,305	95	1,210	351
\$5,000.....	1,135	1,740	117	1,624	489
\$6,000.....	1,431	2,200	140	2,061	630
\$8,000.....	2,082	3,195	189	3,006	924
\$10,000.....	2,813	4,275	243	4,032	1,219
\$12,500.....	3,832	5,730	250	5,480	1,648

Footnotes at end of table.

TABLE g.—Amounts of individual income tax and employee social security contribution for 1943, under the present law, and for 1944 under the proposal—Continued

Net income before personal exemption	1943	1944 <sup>1</sup>			Increase in net tax, including social security contribution <sup>3</sup> (4) - (1)
	Income tax, <sup>2</sup> including net Victory tax, and 1 percent social security contribution <sup>3</sup>	Income tax (gross) and 2 percent social security contribution	Post-war credit, suggestion I <sup>4</sup>	Income tax (net) and 2 percent social security contribution <sup>3</sup>	
	(1)	(2)	(3)	(4)	(5)
\$15,000.....	\$4,998	\$7,325	\$250	\$7,075	\$2,077
\$20,000.....	7,656	10,860	250	10,610	2,954
\$25,000.....	10,674	14,770	250	14,520	3,846
\$50,000.....	28,088	36,165	250	35,915	7,827
\$75,000.....	48,031	59,095	250	58,845	10,814
\$100,000.....	69,695	82,635	250	82,385	12,690
\$500,000.....	441,893	466,630	250	466,380	24,487
\$1,000,000.....	<sup>5</sup> 899,530	946,630	250	946,380	46,850
\$5,000,000.....	<sup>5</sup> 4,499,530	4,786,630	250	4,786,380	286,850

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Under the proposal, the Victory tax and earned-income credit are eliminated.<sup>2</sup> Maximum earned-income credit assumed.<sup>3</sup> Gross income (wages) assumed to be ten-ninths of net income for purposes of Victory tax and social security contributions.<sup>4</sup> 50 percent of the first \$50 of income tax; 25 percent of the next \$50; and 5 percent of the balance; the maximum credit not to exceed \$250.<sup>5</sup> Taking into account maximum effective rate limitation of 90 percent.

TABLE h.—Effective rates of individual income tax and employee social security contribution for 1943, under the present law, and for 1944 under the proposal

## SINGLE PERSON — NO DEPENDENTS

Exemptions: Present law, \$500; proposal, \$500

Net income before personal exemption	1943	1944 <sup>1</sup>			Increase in net tax, including social security contribution <sup>3</sup> (4) - (1)
	Income tax, <sup>2</sup> including net Victory tax, and 1 percent social security contribution <sup>3</sup>	Income tax (gross) and 2 percent social security contribution <sup>3</sup>	Post-war credit, <sup>4</sup> suggestion I <sup>4</sup>	Income tax (net) and 2 percent social security contribution <sup>3</sup>	
	(1)	(2)	(3)	(4)	(5)
	Percent	Percent	Percent	Percent	Percent
\$600.....	4.0	6.7	2.3	4.5	0.5
\$800.....	8.9	12.4	4.1	8.3	-.6
\$900.....	10.6	14.2	4.2	10.0	-.6
\$1,000.....	11.8	15.7	3.9	11.8	.0
\$1,100.....	12.9	17.2	3.7	13.5	.6
\$1,200.....	13.8	18.5	3.5	14.9	1.1
\$1,500.....	15.8	21.2	3.1	18.1	2.3
\$1,600.....	16.3	22.1	3.0	19.1	2.8
\$2,000.....	17.8	24.7	2.8	22.0	4.2
\$2,500.....	19.0	27.4	2.6	24.9	5.9
\$3,000.....	20.1	29.8	2.5	27.4	7.2
\$4,000.....	21.5	32.6	2.4	30.3	8.8
\$5,000.....	22.7	34.8	2.3	32.5	9.8
\$6,000.....	23.9	36.7	2.3	34.4	10.5
\$8,000.....	26.0	39.9	2.4	37.6	11.6
\$10,000.....	28.1	42.8	2.4	40.3	12.2
\$12,500.....	30.7	45.8	2.0	43.8	13.2
\$15,000.....	33.3	48.8	1.7	47.2	13.8
\$20,000.....	38.3	54.3	1.3	53.1	14.8

TABLE h.—Effective rates of individual income tax and employee social security contribution for 1943, under the present law, and for 1944 under the proposal—Continued

Net income before personal exemption	1943	1944 <sup>1</sup>			Increase in net tax, including social security contribution <sup>3</sup> (4) - (1)
	Income tax, <sup>2</sup> including net Victory tax, and 1 percent social security contribution <sup>3</sup>	Income tax (gross) and 2 percent social security contribution <sup>3</sup>	Post-war credit, suggestion 1 <sup>4</sup>	Income tax (net) and 2 percent social security contribution <sup>3</sup>	
	(1)	(2)	(3)	(4)	(5)
	Percent	Percent	Percent	Percent	Percent
\$25,000.....	42.7	59.1	1.0	58.1	15.4
\$50,000.....	56.2	72.3	.5	71.8	15.7
\$75,000.....	64.0	78.8	.3	78.5	14.4
\$100,000.....	69.7	82.6	.3	82.4	12.7
\$500,000.....	88.4	93.3	.1	93.3	4.9
\$1,000,000.....	<sup>5</sup> 90.0	94.7	( <sup>6</sup> )	94.6	4.7
\$5,000,000.....	<sup>5</sup> 90.0	95.7	( <sup>6</sup> )	95.7	5.7

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Under the proposal, the Victory tax and earned-income credit are eliminated.

<sup>2</sup> Maximum earned-income credit assumed.

<sup>3</sup> Gross income (wages) assumed to be ten-ninths of net income for purposes of Victory tax and social security contributions.

<sup>4</sup> 50 percent of the first \$50 of income tax; 25 percent of the next \$50; and 5 percent of the balance; the maximum credit not to exceed \$250.

<sup>5</sup> Taking into account maximum effective rate limitation of 90 percent.

<sup>6</sup> Less than 0.05 percent.

TABLE i.—Amounts of individual income tax and employee social security contribution for 1943, under the present law, and for 1944 under the proposal

## MARRIED PERSON—NO DEPENDENTS

Exemptions: Present law, \$1,200; proposal, \$1,100

Net income before personal exemption	1943	1944 <sup>1</sup>			Increase in net tax, including social security contribution <sup>3</sup> (4) - (1)
	Income tax, <sup>2</sup> including net Victory tax, and 1 percent social security contribution <sup>3</sup>	Income tax (gross) and 2 percent social security contribution <sup>3</sup>	Post-war credit, suggestion 1 <sup>4</sup>	Income tax (net) and 2 percent social security contribution <sup>3</sup>	
	(1)	(2)	(3)	(4)	(5)
\$1,000.....	\$26	\$22		\$22	-\$4
\$1,250.....	43	68	\$20	48	5
\$1,500.....	96	141	38	103	7
\$1,750.....	153	219	42	177	24
\$2,000.....	210	299	45	254	44
\$2,250.....	267	385	49	335	68
\$2,500.....	325	473	53	419	4
\$2,750.....	381	565	58	506	125
\$3,000.....	435	654	62	592	151
\$4,000.....	677	1,059	82	977	300
\$5,000.....	924	1,469	103	1,366	442
\$6,000.....	1,203	1,924	126	1,798	595
\$8,000.....	1,810	2,889	174	2,715	905
\$10,000.....	2,497	3,945	227	3,718	1,221
\$15,000.....	4,563	6,927	250	6,677	2,114
\$20,000.....	7,130	10,416	250	10,166	3,036
\$25,000.....	10,065	14,290	250	14,040	3,975
\$50,000.....	27,105	35,631	250	35,381	8,276
\$75,000.....	46,985	58,537	250	58,287	11,302
\$100,000.....	68,614	82,065	250	81,815	13,201
\$500,000.....	440,777	466,054	250	465,804	25,027
\$1,000,000.....	<sup>5</sup> 899,030	946,054	250	945,804	46,774
\$5,000,000.....	<sup>5</sup> 4,499,030	4,786,054	250	4,785,804	286,774

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Under the proposal, the Victory tax and earned-income credit are eliminated.

<sup>2</sup> Maximum earned-income credit assumed.

<sup>3</sup> Gross income (wages) assumed to be ten-ninths of net income for purposes of Victory tax and social security contributions.

<sup>4</sup> 50 percent of the first \$50 of income tax; 25 percent of the next \$50; and 5 percent of the balance; the maximum credit not to exceed \$250.

<sup>5</sup> Taking into account maximum effective rate limitation of 90 percent.

TABLE j.—Effective rates of individual income tax and employee social security contribution for 1943, under the present law, and for 1944 under the proposal

## MARRIED PERSONS—NO DEPENDENTS

Exemptions: Present law, \$1,200; proposal, \$1,100

Net income before personal exemption	1943	1944 <sup>1</sup>			Increase in net tax, including social security contribution <sup>3</sup> (4)–(1)
	Income tax, <sup>2</sup> including net Victory tax, and 1 percent social security contribution <sup>3</sup>	Income tax (gross) and 2 percent social security contribution <sup>3</sup>	Post-war credit, suggestion I <sup>4</sup>	Income tax (net) and 2 percent social security contribution <sup>3</sup>	
	(1)	(2)	(3)	(4)	(5)
	Percent	Percent	Percent	Percent	Percent
\$1,000.....	2.6	2.2	-----	2.2	–0.4
\$1,250.....	3.4	5.4	1.6	3.8	.4
\$1,500.....	6.4	9.4	2.5	6.9	.5
\$1,750.....	8.7	12.5	2.4	10.1	1.4
\$2,000.....	10.5	15.0	2.3	12.7	2.2
\$2,250.....	11.9	17.1	2.2	14.9	3.0
\$2,500.....	13.0	18.9	2.1	16.8	3.8
\$2,750.....	13.9	20.5	2.1	18.4	4.5
\$3,000.....	14.5	21.8	2.1	19.7	5.2
\$4,000.....	16.9	26.5	2.1	24.4	7.5
\$5,000.....	18.5	29.4	2.1	27.3	8.8
\$6,000.....	20.1	32.1	2.1	30.0	9.9
\$8,000.....	22.6	36.1	2.2	33.9	11.3
\$10,000.....	25.0	39.5	2.3	37.2	12.2
\$15,000.....	30.4	46.2	1.7	44.5	14.1
\$20,000.....	35.7	52.1	1.3	50.8	15.2
\$25,000.....	40.3	57.2	1.0	56.2	15.9
\$50,000.....	54.2	71.3	.5	70.8	16.6
\$75,000.....	62.6	78.0	.3	77.7	15.1
\$100,000.....	68.6	82.1	.3	81.8	13.2
\$500,000.....	88.2	93.2	.1	93.2	5.0
\$1,000,000.....	<sup>5</sup> 89.9	94.6	( <sup>6</sup> )	94.6	4.7
\$5,000,000.....	<sup>5</sup> 90.0	95.7	( <sup>6</sup> )	95.7	5.7

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Under the proposal, the Victory tax and earned-income credit are eliminated.<sup>2</sup> Maximum earned-income credit assumed.<sup>3</sup> Gross income (wages) assumed to be ten-ninths of net income for purposes of Victory tax and social security contributions.<sup>4</sup> 50 percent of the first \$50 of income tax, 25 percent of the next \$50, and 5 percent of the balance; the maximum credit not to exceed \$250.<sup>5</sup> Taking into account maximum effective rate limitation of 90 percent.<sup>6</sup> Less than 0.05 percent.

TABLE K.—*Amounts of individual income tax and employee social security contribution for 1943, under the present law, and for 1944 under the proposal*

## MARRIED PERSON—TWO DEPENDENTS

Exemptions: Present law, \$1,200; proposal, \$1,100

Credit for each dependent: Present law, \$350; proposal, \$300

Net income before personal exemption	1943	1944 <sup>1</sup>			Increase in net tax, including social security contribution <sup>3</sup> (4) - (1)
	Income tax, <sup>2</sup> including net Victory tax, and 1 percent social security contribution <sup>3</sup>	Income tax (gross) and 2 percent social security contribution <sup>3</sup>	Post-war credit, suggestion <sup>1</sup>	Income tax (net) and 2 percent social security contribution <sup>3</sup>	
	(1)	(2)	(3)	(4)	(5)
\$1,800.....	\$59	\$67	\$14	\$54	—\$5
\$2,000.....	80	125	33	93	13
\$2,300.....	142	216	41	175	33
\$2,500.....	187	281	44	237	50
\$3,000.....	297	444	52	392	95
\$4,000.....	515	813	70	743	228
\$5,000.....	760	1,223	91	1,132	372
\$6,000.....	1,009	1,628	112	1,536	527
\$8,000.....	1,583	2,583	159	2,424	841
\$10,000.....	2,238	3,615	210	3,405	1,167
\$12,500.....	3,174	5,022	250	4,772	1,598
\$15,000.....	4,237	6,549	250	6,299	2,062
\$20,000.....	6,723	9,972	250	9,722	2,999
\$25,000.....	9,604	13,810	250	13,560	3,956
\$50,000.....	26,422	35,007	250	34,847	8,425
\$75,000.....	46,239	57,979	250	57,729	11,490
\$100,000.....	67,833	81,495	250	81,245	13,412
\$500,000.....	439,961	465,478	250	465,228	25,267
\$1,000,000.....	<sup>3</sup> 898,830	945,478	250	945,228	46,398
\$5,000,000.....	<sup>3</sup> 4,498,830	4,785,478	250	4,785,228	286,398

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Under the proposal, the Victory tax and earned-income credit are eliminated.<sup>2</sup> Maximum earned-income credit assumed.<sup>3</sup> Gross income (wages) assumed to be ten-ninths of net income for purposes of Victory tax and social security contributions.<sup>4</sup> 50 percent of the first \$50 of income tax; 25 percent of the next \$50; and 5 percent of the balance; the maximum credit not to exceed \$250.<sup>5</sup> Taking into account maximum effective rate limitation of 90 percent.

TABLE 1.—Effective rates of individual income tax and employee social security contribution for 1943, under the present law, and for 1944 under the proposal

## MARRIED PERSON—TWO DEPENDENTS

Exemptions: Present law, \$1,200; proposal, \$1,100

Credit for each dependent: Present law, \$350; proposal, \$300

Net income before personal exemption	1943	1944 <sup>1</sup>			Increase in net tax, including social security contribution <sup>3</sup> (4)–(1)
	Income tax, <sup>2</sup> including net Victory tax, and 1 percent social security contribution <sup>3</sup>	Income tax (gross) and 2 percent social security contribution <sup>3</sup>	Post-war credit, suggestion <sup>1</sup> <sup>4</sup>	Income tax (net) and 2 percent social security contribution <sup>3</sup>	
	(1)	(2)	(3)	(4)	(5)
	Percent	Percent	Percent	Percent	Percent
\$1,800.....	3.3	3.7	0.8	3.0	–0.3
\$2,000.....	4.0	6.3	1.6	4.6	.7
\$2,300.....	6.2	9.4	1.8	7.6	1.4
\$2,500.....	7.5	11.2	1.8	9.5	2.0
\$3,000.....	9.9	14.8	1.7	13.1	3.2
\$4,000.....	12.9	20.3	1.8	18.6	5.7
\$5,000.....	15.2	24.5	1.8	22.6	7.4
\$6,000.....	16.8	27.5	1.9	25.6	8.8
\$8,000.....	19.8	32.3	2.0	30.3	10.5
\$10,000.....	22.4	36.2	2.1	34.0	11.7
\$12,500.....	25.4	40.2	2.0	38.2	12.8
\$15,000.....	28.2	43.7	1.7	42.0	13.7
\$20,000.....	33.6	49.9	1.3	48.6	15.0
\$25,000.....	38.4	55.2	1.0	54.2	15.8
\$50,000.....	52.8	70.2	.5	69.7	16.9
\$75,000.....	61.7	77.3	.3	77.0	15.3
\$100,000.....	67.8	81.5	.3	81.2	13.4
\$500,000.....	88.0	93.1	.1	93.0	5.1
\$1,000,000.....	<sup>5</sup> 89.9	94.5	( <sup>6</sup> )	94.5	4.6
\$5,000,000.....	<sup>6</sup> 90.0	95.7	( <sup>6</sup> )	95.7	5.7

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Under the proposal, the Victory tax and earned-income credit are eliminated.<sup>2</sup> Maximum earned income credit assumed.<sup>3</sup> Gross income (wages) assumed to be ten-ninths of net income for purposes of Victory tax and social security contributions.<sup>4</sup> 50 percent of the first \$50 of income tax; 25 percent of the next \$50; and 5 percent of the balance; the maximum credit not to exceed \$250.<sup>5</sup> Taking into account maximum effective rate limitation of 90 percent.<sup>6</sup> Less than 0.05 percent.



EXHIBIT H.—POST-WAR CREDIT, SUGGESTION II <sup>1</sup>

TABLE a.—Amounts of individual income tax under present law and proposal

## SINGLE PERSON—NO DEPENDENTS

Exemptions: Present law, \$500; proposal, \$500

Net income before personal exemption	Present law, including net Victory tax <sup>2</sup>	Proposal <sup>3</sup>			Increase in net tax
		Gross tax	Post-war credit, suggestion II <sup>1</sup>	Net tax	
\$600 .....	\$17	\$27	\$14	\$14	—\$3
\$800 .....	62	81	33	48	—14
\$900 .....	85	108	40	69	—16
\$1,000 .....	107	135	46	89	—18
\$1,100 .....	130	165	54	111	—19
\$1,200 .....	153	195	61	134	—19
\$1,500 .....	220	285	71	214	—6
\$1,600 .....	243	318	74	244	1
\$2,000 .....	333	450	88	363	30
\$2,500 .....	446	630	106	525	79
\$3,000 .....	574	835	126	709	135
\$4,000 .....	829	1,245	167	1,078	249
\$5,000 .....	1,105	1,680	211	1,470	365
\$6,000 .....	1,401	2,140	257	1,884	483
\$8,000 .....	2,052	3,135	356	2,779	727
\$10,000 .....	2,783	4,215	400	3,815	1,032
\$12,500 .....	3,802	5,670	400	5,270	1,468
\$15,000 .....	4,968	7,265	400	6,865	1,897
\$20,000 .....	7,626	10,800	400	10,400	2,774
\$25,000 .....	10,644	14,710	400	14,310	3,666
\$50,000 .....	28,058	36,105	400	35,705	7,647
\$75,000 .....	48,001	59,035	400	58,635	10,634
\$100,000 .....	69,665	82,575	400	82,175	12,510
\$500,000 .....	441,863	466,570	400	466,170	24,307
\$1,000,000 .....	4 899,500	946,570	400	946,170	46,670
\$5,000,000 .....	4 4,499,500	4,786,570	400	4,786,170	286,670

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> The post-war credit under suggestion II, resulting in a refund of 3.51 billion dollars, is as follows: 50 percent of the first \$50 of tax; 25 percent of the next \$150; and 10 percent of the balance; the maximum credit not to exceed \$400.<sup>2</sup> Maximum earned-income credit assumed. Victory-tax net income assumed to be ten-ninths of net income.<sup>3</sup> Victory tax and earned-income credit eliminated.<sup>4</sup> Taking into account maximum effective rate limitation of 90 percent

TABLE b.—*Effective rates of individual income tax under present law and proposal*  
 SINGLE PERSON—NO DEPENDENTS  
 Exemptions: Present law, \$500; proposal, \$500

Net income before personal exemption	Present law, including net Victory tax <sup>1</sup>	Proposal <sup>2</sup>			Increase in net tax
		Gross tax	Post-war credit, suggestion II <sup>3</sup>	Net tax	
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
\$600.....	2.8	4.5	2.3	2.3	-0.5
\$800.....	7.8	10.1	4.1	6.0	-1.8
\$900.....	9.4	12.0	4.4	7.6	-1.8
\$1,000.....	10.7	13.5	4.6	8.9	-1.8
\$1,100.....	11.8	15.0	4.9	10.1	-1.7
\$1,200.....	12.8	16.3	5.1	11.1	-1.6
\$1,500.....	14.7	19.0	4.7	14.3	- .4
\$1,600.....	15.2	19.9	4.6	15.2	.1
\$2,000.....	16.7	22.5	4.4	18.1	1.5
\$2,500.....	17.8	25.2	4.2	21.0	3.2
\$3,000.....	19.1	27.8	4.2	23.6	4.5
\$4,000.....	20.7	31.1	4.2	27.0	6.2
\$5,000.....	22.1	33.6	4.2	29.4	7.3
\$6,000.....	23.4	35.7	4.3	31.4	8.1
\$8,000.....	25.7	39.2	4.5	34.7	9.1
\$10,000.....	27.8	42.2	4.0	38.2	10.3
\$12,500.....	30.4	45.4	3.2	42.2	11.7
\$15,000.....	33.1	48.4	2.7	45.8	12.6
\$20,000.....	38.1	54.0	2.0	52.0	13.9
\$25,000.....	42.6	58.8	1.6	57.2	14.7
\$50,000.....	56.1	72.2	.8	71.4	15.3
\$75,000.....	64.0	78.7	.5	78.2	14.2
\$100,000.....	69.7	82.6	.4	82.2	12.5
\$500,000.....	88.4	93.3	.1	93.2	4.9
\$1,000,000.....	<sup>4</sup> 90.0	94.7	( <sup>5</sup> )	94.6	4.7
\$5,000,000.....	<sup>4</sup> 90.0	95.7	( <sup>5</sup> )	95.7	5.7

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Maximum earned-income credit assumed. Victory-tax net income assumed to be ten-ninths of net income.

<sup>2</sup> Victory tax and earned-income credit eliminated.

<sup>3</sup> 50 percent of the first \$50 of tax; 25 percent of the next \$150; and 10 percent of the balance; the maximum credit not to exceed \$400.

<sup>4</sup> Taking into account maximum effective rate limitation of 90 percent.

<sup>5</sup> Less than 0.05 percent.

TABLE c.—*Amounts of individual income tax under present law and proposal*  
 MARRIED PERSON—NO DEPENDENTS  
 Exemptions: Present law, \$1,200; proposal, \$1,100

Net income before personal exemption	Present law, including net Victory tax <sup>1</sup>	Proposal <sup>2</sup>			Increase in net tax
		Gross tax	Post-war credit, suggestion II <sup>3</sup>	Net tax	
\$1,000.....	\$15				—\$15
\$1,250.....	29	\$41	\$20	\$20	—9
\$1,500.....	79	108	40	69	—10
\$1,750.....	134	180	58	123	—11
\$2,000.....	188	255	68	187	—1
\$2,250.....	242	335	76	259	17
\$2,500.....	297	417	84	333	36
\$2,750.....	351	504	93	411	60
\$3,000.....	405	594	102	492	87
\$4,000.....	647	999	142	857	210
\$5,000.....	894	1,409	183	1,226	332
\$6,000.....	1,173	1,864	229	1,635	462
\$8,000.....	1,780	2,829	325	2,504	724
\$10,000.....	2,467	3,885	400	3,485	1,018
\$15,000.....	4,533	6,867	400	6,467	1,934
\$20,000.....	7,100	10,356	400	9,956	2,856
\$25,000.....	10,035	14,230	400	13,830	3,795
\$50,000.....	27,075	35,571	400	35,171	8,096
\$75,000.....	46,955	58,477	400	58,077	11,122
\$100,000.....	68,584	82,035	400	81,635	13,021
\$500,000.....	440,717	465,994	400	465,594	24,847
\$1,000,000.....	<sup>4</sup> 899,000	945,994	400	945,594	46,594
\$5,000,000.....	<sup>4</sup> 4,499,000	4,785,994	400	4,785,594	286,594

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Maximum earned-income credit assumed. Victory-tax net income assumed to be ten-ninths of net income.

<sup>2</sup> Victory tax and earned-income credit eliminated.

<sup>3</sup> 50 percent of the first \$50 of tax; 25 percent of the next \$150; and 10 percent of the balance; the maximum credit not to exceed \$400.

<sup>4</sup> Taking into account maximum effective rate limitation of 90 percent.

TABLE d.—*Effective rates of individual income tax under present law and proposal*  
**MARRIED PERSON—NO DEPENDENTS**  
 Exemptions: Present law, \$1,200; proposal, \$1,100

Net income before personal exemption	Present law, including net Victory tax <sup>1</sup>	Proposal <sup>2</sup>			Increase in net tax
		Gross tax	Post-war credit, suggestion II <sup>3</sup>	Net tax	
	Percent	Percent	Percent	Percent	Percent
\$1,000.....	1.5				-1.5
\$1,250.....	2.3	3.2	1.6	1.6	-.7
\$1,500.....	5.3	7.2	2.6	4.6	-.7
\$1,750.....	7.7	10.3	3.3	7.0	-.6
\$2,000.....	9.4	12.8	3.4	9.4	-.1
\$2,250.....	10.8	14.9	3.4	11.5	.8
\$2,500.....	11.9	16.7	3.4	13.3	1.4
\$2,750.....	12.8	18.3	3.4	14.9	2.2
\$3,000.....	13.5	19.8	3.4	16.4	2.9
\$4,000.....	16.2	25.0	3.6	21.4	5.3
\$5,000.....	17.9	28.2	3.7	24.5	6.6
\$6,000.....	19.6	31.1	3.8	27.3	7.7
\$8,000.....	22.3	35.4	4.1	31.3	9.1
\$10,000.....	24.7	38.9	4.0	34.9	10.2
\$15,000.....	30.2	45.8	2.7	43.1	12.9
\$20,000.....	35.5	51.8	2.0	49.8	14.3
\$25,000.....	40.1	56.9	1.6	55.3	15.2
\$50,000.....	54.2	71.1	.8	70.3	16.2
\$75,000.....	62.6	78.0	.5	77.4	14.8
\$100,000.....	68.6	82.0	.4	81.6	13.0
\$500,000.....	88.1	93.2	.1	93.1	5.0
\$1,000,000.....	<sup>4</sup> 89.9	94.6	( <sup>5</sup> )	94.6	4.7
\$5,000,000.....	<sup>4</sup> 90.0	95.7	( <sup>5</sup> )	95.7	5.7

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Maximum earned-income credit assumed. Victory-tax net income assumed to be ten-ninths of net income.

<sup>2</sup> Victory tax and earned-income credit eliminated.

<sup>3</sup> 50 percent of the first \$50 of tax; 25 percent of the next \$150; and 10 percent of the balance; the maximum credit not to exceed \$400.

<sup>4</sup> Taking into account maximum effective rate limitation of 90 percent.

<sup>5</sup> Less than 0.05 percent.

TABLE e.—*Amounts of individual income tax under present law and proposal*  
**MARRIED PERSON—TWO DEPENDENTS**  
 Exemptions: Present law, \$1,200; proposal, \$1,100  
 Credit for each dependent: Present law, \$350; proposal, \$300

Net income before personal exemption	Present law, including net Victory tax <sup>1</sup>	Proposal <sup>2</sup>			Increase in net tax
		Gross tax	Post-war credit, suggestion II <sup>3</sup>	Net tax	
\$1,800.....	\$39	\$27	\$14	\$14	—\$25
\$2,000.....	58	81	33	48	—10
\$2,300.....	116	165	54	111	—5
\$2,500.....	159	225	65	160	1
\$3,000.....	267	384	81	303	36
\$4,000.....	485	753	118	635	150
\$5,000.....	730	1,163	159	1,004	274
\$6,000.....	979	1,588	201	1,387	408
\$8,000.....	1,553	2,523	295	2,228	675
\$10,000.....	2,208	3,555	398	3,157	949
\$12,500.....	3,144	4,962	400	4,562	1,418
\$15,000.....	4,207	6,489	400	6,089	1,882
\$20,000.....	6,693	9,912	400	9,512	2,819
\$25,000.....	9,574	13,750	400	13,350	3,776
\$50,000.....	26,392	35,037	400	34,637	8,245
\$75,000.....	46,209	57,919	400	57,519	11,310
\$100,000.....	67,803	81,435	400	81,035	13,232
\$500,000.....	439,931	465,418	400	465,018	25,087
\$1,000,000.....	<sup>4</sup> 898,800	945,418	400	945,018	46,218
\$5,000,000.....	<sup>4</sup> 4,498,800	4,785,418	400	4,785,018	286,218

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Maximum earned-income credit assumed. Victory-tax net income assumed to be ten-ninths of net income.

<sup>2</sup> Victory tax and earned-income credit eliminated.

<sup>3</sup> 50 percent of the first \$50 of tax; 25 percent of the next \$150; and 10 percent of the balance; the maximum credit not to exceed \$400.

<sup>4</sup> Taking into account maximum effective rate limitation of 90 percent.

TABLE f.—*Effective rates of individual income tax under present law and proposal*

## MARRIED PERSON—TWO DEPENDENTS

Exemptions: Present law, \$1,200; proposal, \$1,100

Credit for each dependent: Present law, \$350; proposal, \$300

Net income before personal exemption	Present law, including net Victory tax <sup>1</sup>	Proposal <sup>2</sup>			Increase in net tax
		Gross tax	Post-war credit, suggestion II <sup>3</sup>	Net tax	
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
\$1,800.....	2.2	1.5	0.8	0.8	-1.4
\$2,000.....	2.9	4.1	1.6	2.4	-.5
\$2,300.....	5.0	7.2	2.3	4.8	-.2
\$2,500.....	6.4	9.0	2.6	6.4	( <sup>4</sup> )
\$3,000.....	8.9	12.8	2.7	10.1	1.2
\$4,000.....	12.1	18.8	2.9	15.9	3.8
\$5,000.....	14.6	23.3	3.2	20.1	5.5
\$6,000.....	16.3	26.5	3.4	23.1	6.8
\$8,000.....	19.4	31.5	3.7	27.9	8.4
\$10,000.....	22.1	35.6	4.0	31.6	9.5
\$12,500.....	25.2	39.7	3.2	36.5	11.3
\$15,000.....	28.0	43.3	2.7	40.6	12.5
\$20,000.....	33.5	49.6	2.0	47.6	14.1
\$25,000.....	38.3	55.0	1.6	53.4	15.1
\$50,000.....	52.8	70.1	.8	69.3	16.5
\$75,000.....	61.6	77.2	.5	76.7	15.1
\$100,000.....	67.8	81.4	.4	81.0	13.2
\$500,000.....	80.0	93.1	.1	93.0	5.0
\$1,000,000.....	<sup>4</sup> 89.9	94.5	( <sup>5</sup> )	94.5	4.6
\$5,000,000.....	<sup>4</sup> 90.0	95.7	( <sup>5</sup> )	95.7	5.7

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Maximum earned-income credit assumed. Victory-tax net income assumed to be ten-ninths of net income.<sup>2</sup> Victory tax and earned-income credit eliminated.<sup>3</sup> 50 percent of the first \$50 of tax; 25 percent of the next \$150; and 10 percent of the balance; the maximum credit not to exceed \$400.<sup>4</sup> Taking into account maximum effective rate limitation of 90 percent.<sup>5</sup> Less than 0.05 percent.

TABLE g.—Amounts of individual income tax and employee social security contribution for 1943, under the present law, and for 1944 under the proposal

## SINGLE PERSON—NO DEPENDENTS

Exemptions: Present law, \$500; proposal, \$500

Net income before personal exemption	1943	1944 <sup>1</sup>			Increase in net tax, including social security contribution <sup>3</sup> (4) - (1)
	Income tax, <sup>2</sup> including net Victory tax, and 1 percent social security contribution <sup>3</sup>	Income tax (gross) and 2 percent social security contribution <sup>3</sup>	Post-war credit, suggestion II <sup>4</sup>	Income tax (net) and 2 percent social security contribution <sup>3</sup>	
	(1)	(2)	(3)	(4)	(5)
\$600.....	\$24	\$40	\$14	\$27	\$3
\$800.....	71	99	33	66	—5
\$900.....	95	128	40	89	—6
\$1,000.....	118	157	46	111	—7
\$1,100.....	142	189	54	136	—6
\$1,200.....	166	222	61	160	—6
\$1,500.....	237	318	71	247	10
\$1,600.....	261	354	74	279	18
\$2,000.....	355	494	88	407	52
\$2,500.....	474	686	106	580	106
\$3,000.....	604	895	126	769	165
\$4,000.....	859	1,305	167	1,138	279
\$5,000.....	1,135	1,740	211	1,530	395
\$6,000.....	1,435	2,200	257	1,944	509
\$8,000.....	2,082	3,195	356	2,839	757
\$10,000.....	2,813	4,275	400	3,875	1,062
\$12,500.....	3,832	5,730	400	5,330	1,498
\$15,000.....	4,998	7,325	400	6,925	1,927
\$20,000.....	7,656	10,860	400	10,460	2,804
\$25,000.....	10,674	14,770	400	14,370	3,696
\$50,000.....	28,088	36,165	400	35,765	7,677
\$75,000.....	48,031	59,095	400	58,695	10,664
\$100,000.....	69,695	82,635	400	82,235	12,540
\$500,000.....	441,893	466,630	400	466,230	24,337
\$1,000,000.....	<sup>5</sup> 899,530	946,630	400	946,230	46,700
\$5,000,000.....	<sup>5</sup> 4,499,530	4,786,630	400	4,786,230	286,700

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Under the proposal, the Victory tax and earned-income credit are eliminated.<sup>2</sup> Maximum earned-income credit assumed.<sup>3</sup> Gross income (wages) assumed to be ten-ninths of net income for purposes of Victory tax and social security contributions.<sup>4</sup> 50 percent of the first \$50 of income tax; 25 percent of the next \$150; and 10 percent of the balance; the maximum credit not to exceed \$400.<sup>5</sup> Taking into account maximum effective rate limitation of 90 percent.

TABLE h.—Effective rates of individual income tax and employee social security contribution for 1943, under the present law, and for 1944 under the proposal

## SINGLE PERSON—NO DEPENDENTS

Exemptions: Present law, \$500; proposal, \$500

Net income before personal exemption	1943	1944 <sup>1</sup>			Increase in net tax, including social security contribution <sup>2</sup> (4)–(1)
	Income tax, <sup>2</sup> including net Victory tax, and 1 percent social security contribution <sup>3</sup>	Income tax (gross) and 2 percent social security contribution <sup>3</sup>	Post-war credit, suggestion II <sup>4</sup>	Income tax (net) and 2 percent social security contribution <sup>3</sup>	
	(1)	(2)	(3)	(4)	(5)
	Percent	Percent	Percent	Percent	Percent
\$600.....	4.0	6.7	2.3	4.5	0.5
\$800.....	8.9	12.4	4.1	8.3	— .6
\$900.....	10.6	14.2	4.4	9.8	— .7
\$1,000.....	11.8	15.7	4.6	11.1	— .7
\$1,100.....	12.9	17.2	4.9	12.3	— .5
\$1,200.....	13.8	18.5	5.1	13.4	— .5
\$1,500.....	15.8	21.2	4.7	16.5	.7
\$1,600.....	16.3	22.1	4.6	17.5	1.1
\$2,000.....	17.8	24.7	4.4	20.3	2.6
\$2,500.....	19.0	27.4	4.2	23.2	4.2
\$3,000.....	20.1	29.8	4.2	25.6	5.5
\$4,000.....	21.5	32.6	4.2	28.5	7.0
\$5,000.....	22.7	34.8	4.2	30.6	7.9
\$6,000.....	23.9	36.7	4.3	32.4	8.5
\$8,000.....	26.0	39.9	4.5	35.5	9.5
\$10,000.....	28.1	42.8	4.0	38.8	10.6
\$12,500.....	30.7	45.8	3.2	42.6	12.0
\$15,000.....	33.3	48.8	2.7	46.2	12.8
\$20,000.....	38.3	54.3	2.0	52.3	14.0
\$25,000.....	42.7	59.1	1.6	57.5	14.8
\$50,000.....	56.2	72.3	.8	71.5	15.4
\$75,000.....	64.0	78.8	.5	78.3	14.2
\$100,000.....	69.7	82.6	.4	82.2	12.5
\$500,000.....	88.4	93.3	.1	93.2	4.9
\$1,000,000.....	<sup>5</sup> 90.0	94.7	( <sup>6</sup> )	94.6	4.7
\$5,000,000.....	<sup>5</sup> 90.0	95.7	( <sup>6</sup> )	95.7	5.7

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Under the proposal, the Victory tax and earned-income credit are eliminated.<sup>2</sup> Maximum earned-income credit assumed.<sup>3</sup> Gross income (wages) assumed to be ten-ninths of net income for purposes of Victory tax and social security contributions.<sup>4</sup> 50 percent of the first \$50 of income tax; 25 percent of the next \$150; and 10 percent of the balance; the maximum credit not to exceed \$400.<sup>5</sup> Taking into account maximum effective rate limitation of 90 percent.<sup>6</sup> Less than 0.05 percent.

TABLE i.—*Amounts of individual income tax and employee social security contribution for 1943, under the present law, and for 1944 under the proposal*

## MARRIED PERSON—NO DEPENDENTS

Exemptions: Present law, \$1,200; proposal, \$1,100

Net income before personal exemption	1943	1944 <sup>1</sup>			Increase in net tax, including social security contribution <sup>2</sup> (4) - (1)
	Income tax, <sup>2</sup> including net Victory tax, and 1 percent social security contribution <sup>3</sup>	Income tax (gross) and 2 percent social security contribution <sup>2</sup>	Post-war credit, suggestion II <sup>4</sup>	Income tax (net) and 2 percent social security contribution <sup>3</sup>	
	(1)	(2)	(3)	(4)	(5)
\$1,000.....	\$26	\$22	-----	\$22	-\$4
\$1,250.....	43	68	\$20	48	5
\$1,500.....	96	141	40	102	6
\$1,750.....	153	219	58	161	8
\$2,000.....	210	299	68	231	21
\$2,250.....	267	385	76	309	42
\$2,500.....	325	473	84	388	63
\$2,750.....	381	565	93	471	90
\$3,000.....	435	654	102	552	117
\$4,000.....	677	1,059	142	917	240
\$5,000.....	924	1,469	183	1,286	362
\$6,000.....	1,203	1,924	229	1,695	492
\$8,000.....	1,810	2,889	325	2,564	754
\$10,000.....	2,497	3,945	400	3,545	1,048
\$15,000.....	4,563	6,927	400	6,527	1,964
\$20,000.....	7,130	10,416	400	10,016	2,886
\$25,000.....	10,065	14,290	400	13,890	3,825
\$50,000.....	27,105	35,631	400	35,231	8,126
\$75,000.....	46,985	58,537	400	58,137	11,152
\$100,000.....	68,614	82,065	400	81,665	13,051
\$500,000.....	440,777	466,054	400	465,654	24,877
\$1,000,000.....	<sup>3</sup> 899,030	946,054	400	945,654	46,624
\$5,000,000.....	<sup>4</sup> 4,499,030	4,786,054	400	4,785,654	286,624

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Under the proposal, the Victory tax and earned-income credit are eliminated.<sup>2</sup> Maximum earned-income credit assumed.<sup>3</sup> Gross income (wages) assumed to be ten-ninths of net income for purposes of Victory tax and social security contributions.<sup>4</sup> 50 percent of the first \$50 of income tax; 25 percent of the next \$150; and 10 percent of the balance; the maximum credit not to exceed \$400.<sup>5</sup> Taking into account maximum effective rate limitation of 90 percent.

TABLE J.—*Effective rates of individual income tax and employee social security contribution for 1943, under the present law, and for 1944 under the proposal*

## MARRIED PERSON—NO DEPENDENTS

Exemptions: Present law, \$1,200; proposal, \$1,100

Net income before personal exemption	1943	1944 <sup>1</sup>			Increase in net tax, including social security contribution <sup>2</sup> (4)—(1)
	Income tax, <sup>2</sup> including net Victory tax, and 1 percent social security contribution <sup>3</sup>	Income tax (gross) and 2 percent social security contribution <sup>3</sup>	Post-war credit, suggestion II <sup>4</sup>	Income tax (net) and 2 percent social security contribution <sup>3</sup>	
	(1)	(2)	(3)	(4)	(5)
	Percent	Percent	Percent	Percent	Percent
\$1,000.....	2.6	2.2	-----	2.2	-0.4
\$1,250.....	3.4	5.4	1.6	3.8	.4
\$1,500.....	6.4	9.4	2.6	6.8	.4
\$1,750.....	8.7	12.5	3.3	9.2	.5
\$2,000.....	10.5	15.0	3.4	11.6	1.1
\$2,250.....	11.9	17.1	3.4	13.7	1.9
\$2,500.....	13.0	18.9	3.4	15.5	2.5
\$2,750.....	13.9	20.5	3.4	17.1	3.3
\$3,000.....	14.5	21.8	3.4	18.4	3.9
\$4,000.....	16.9	26.5	3.6	22.9	6.0
\$5,000.....	18.5	29.4	3.7	25.7	7.2
\$6,000.....	20.1	32.1	3.8	28.3	8.2
\$8,000.....	22.6	36.1	4.1	32.0	9.4
\$10,000.....	25.0	39.5	4.0	35.5	10.5
\$15,000.....	30.4	46.2	2.7	43.5	13.1
\$20,000.....	35.7	52.1	2.0	50.1	14.4
\$25,000.....	40.3	57.2	1.6	55.6	15.3
\$50,000.....	54.2	71.3	.8	70.5	16.3
\$75,000.....	62.6	78.0	.5	77.5	14.9
\$100,000.....	68.6	82.1	.4	81.7	13.1
\$500,000.....	88.2	93.2	.1	93.1	5.0
\$1,000,000.....	<sup>5</sup> 89.9	94.6	( <sup>6</sup> )	94.6	4.7
\$5,000,000.....	<sup>5</sup> 90.0	95.7	( <sup>6</sup> )	95.7	5.7

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Under the proposal, the Victory tax and earned-income credit are eliminated.<sup>2</sup> Maximum earned-income credit assumed.<sup>3</sup> Gross income (wages) assumed to be ten-ninths of net income for purposes of Victory tax and social security contributions.<sup>4</sup> 50 percent of the first \$50 of income tax; 25 percent of the next \$150; and 10 percent of the balance; the maximum credit not to exceed \$400.<sup>5</sup> Taking into account maximum effective rate limitation of 90 percent.<sup>6</sup> Less than 0.05 percent.



TABLE K.—*Amounts of individual income tax and employee social security contribution for 1945, under the present law, and for 1944 under the proposal*

## MARRIED PERSON—2 DEPENDENTS

Exemptions: Present law, \$1,200; proposal, \$1,100

Credit for each dependent: Present law, \$350; proposal, \$300

Net income before personal exemption	1943	1944 <sup>1</sup>			Increase in net tax, including social security contribution <sup>2</sup> (4)—(1)
	Income tax, <sup>2</sup> including net Victory tax, and 1 percent social security contribution <sup>3</sup>	Income tax (gross) and 2 percent social security contribution <sup>3</sup>	Post-war credit, suggestion II <sup>4</sup>	Income tax (net) and 2 percent social security contribution <sup>3</sup>	
	(1)	(2)	(3)	(4)	(5)
\$1,800.....	\$59	\$67	\$14	\$54	—\$5
\$2,000.....	80	125	33	93	13
\$2,300.....	142	216	54	162	20
\$2,500.....	187	281	65	216	29
\$3,000.....	297	444	81	363	66
\$4,000.....	515	813	118	695	180
\$5,000.....	760	1,223	159	1,064	304
\$6,000.....	1,009	1,648	201	1,447	438
\$8,000.....	1,583	2,583	295	2,288	705
\$10,000.....	2,238	3,615	398	3,217	979
\$12,500.....	3,174	5,022	400	4,622	1,448
\$15,000.....	4,237	6,549	400	6,149	1,912
\$20,000.....	6,723	9,972	400	9,572	2,849
\$25,000.....	9,604	13,810	400	13,410	3,806
\$50,000.....	26,422	35,097	400	34,697	8,275
\$75,000.....	46,239	57,979	400	57,579	11,340
\$100,000.....	67,833	81,495	400	81,095	13,262
\$500,000.....	439,961	465,478	400	465,078	25,117
\$1,000,000.....	<sup>5</sup> 898,830	945,478	400	945,078	46,248
\$5,000,000.....	<sup>5</sup> 4,498,830	4,785,478	400	4,785,078	286,248

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Under the proposal, the Victory tax and earned-income credit are eliminated.<sup>2</sup> Maximum earned-income credit assumed.<sup>3</sup> Gross income (wages) assumed to be ten-ninths of net income for purposes of Victory tax and social security contributions.<sup>4</sup> 50 percent of the first \$50 of income tax; 25 percent of the next \$150; and 10 percent of the balance; the maximum credit not to exceed \$400.<sup>5</sup> Taking into account maximum effective rate limitation of 90 percent.

TABLE 1.—*Effective rates of individual income tax and employee social security contribution for 1943, under the present law, and for 1944 under the proposal*

## MARRIED PERSON—TWO DEPENDENTS

Exemptions: Present law, \$1,200; proposal, \$1,100

Credit for each dependent: Present law, \$350; proposal, \$300

Net income before personal exemption	1943	1944 <sup>1</sup>			Increase in net tax, including social security contribution <sup>2</sup> (4) - (1)
	Income tax, <sup>2</sup> including net Victory tax, and 1 percent social security contribution <sup>3</sup>	Income tax (gross) and 2 percent social security contribution <sup>3</sup>	Post-war credit, suggestion II <sup>4</sup>	Income tax (net) and 2 percent social security contribution <sup>3</sup>	
	(1)	(2)	(3)	(4)	(5)
	Percent	Percent	Percent	Percent	Percent
\$1,800 .....	3.3	3.7	0.8	3.0	-0.3
\$2,000 .....	4.0	6.3	1.6	4.6	.7
\$2,300 .....	6.2	9.4	2.3	7.1	.9
\$2,500 .....	7.5	11.2	2.6	8.6	1.2
\$3,000 .....	9.9	14.8	2.7	12.1	2.2
\$4,000 .....	12.9	20.3	2.9	17.4	4.5
\$5,000 .....	15.2	24.5	3.2	21.3	6.1
\$6,000 .....	16.8	27.5	3.4	24.1	7.3
\$8,000 .....	19.8	32.3	3.7	28.6	8.8
\$10,000 .....	22.4	36.2	4.0	32.2	9.8
\$12,500 .....	25.4	40.2	3.2	37.0	11.6
\$15,000 .....	28.2	43.7	2.7	41.0	12.7
\$20,000 .....	33.6	49.9	2.0	47.9	14.2
\$25,000 .....	38.4	55.2	1.6	53.6	15.2
\$50,000 .....	52.8	70.2	.8	69.4	16.6
\$75,000 .....	61.7	77.3	.5	76.8	15.1
\$100,000 .....	67.8	81.5	.4	81.1	13.3
\$500,000 .....	88.0	93.1	.1	93.0	5.0
\$1,000,000 .....	<sup>5</sup> 89.9	94.5	( <sup>6</sup> )	94.5	4.6
\$5,000,000 .....	<sup>5</sup> 90.0	95.7	( <sup>6</sup> )	95.7	5.7

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Under the proposal, the Victory tax and earned-income credit are eliminated.<sup>2</sup> Maximum earned-income credit assumed.<sup>3</sup> Gross income (wages) assumed to be ten-ninths of net income for purposes of Victory tax and social security contributions.<sup>4</sup> 50 percent of the first \$50 of income tax; 25 percent of the next \$150; and 10 percent of the balance; the maximum credit not to exceed \$400.<sup>5</sup> Taking into account maximum effective rate limitation of 90 percent.<sup>6</sup> Less than .05 percent.

## Exhibit 47

*Statement of Secretary Morgenthau before the Senate Finance Committee, November 29, 1943, in further support of the Treasury's program for additional revenue*

Mr. Chairman and gentlemen, when I appeared before the Ways and Means Committee of the House on October 4 to present the administration's suggestions for increased war taxes, I gave to that committee as best I could a picture of the financial position of the Nation and its wartime revenue needs. I stated that the fiscal situation required much heavier wartime taxation and that it was our opinion that the people could pay additional wartime taxes of at least \$10.5 billion. The Ways and Means Committee and the House reached a different result and approved a bill increasing revenues by only \$2,000,000,000. In view of this wide difference on a matter so important to the present and future welfare of this Nation, we have carefully reviewed the fiscal situation. I am appearing before you today to present our conclusions.

The outstanding fact in our financial picture is the stupendous bill which this war will leave behind. On that point there can be no quibbling. We are accumulating debt at the rate of over \$150,000,000 a day. Last month (October 1943) the Federal Government spent \$5.6 billion more than it collected in revenue. In the fiscal year 1942 the deficit was \$21,000,000,000, in 1943 it was \$57,000,000,000, and in 1944 it is expected to be \$57,000,000,000 again. On the basis of any estimates we can now make, we foresee a public debt at the end of the present fiscal year of about \$200,000,000,000. On such a debt the interest charges alone will be close to \$4,000,000,000 a year. As the war continues, the debt, the interest, and the problems of repayment will grow larger and larger.

In this situation if we pay in taxes any less than we can now afford to pay, we shall be unfair to those who must face the accumulated bill after the war has been fought and won. We shall be doing a particularly great injustice to the men who are fighting our battles on foreign soil. We shall not only be asking the 10,000,000 members of the armed forces to give the most important years out of their lives to fight the war. We shall also be requiring them as a large body of future taxpayers to pay in taxes after the war what we could and should have paid while they were fighting.

It is clear that we are not paying all the wartime taxes that we can and should pay. We are not now fighting an all-out war on the fiscal front. All the estimates of national income, by whomever made, bear eloquent testimony to the fact that the ability of the American people to pay increased taxes is far from being exhausted. In the fiscal year 1939 individuals had incomes, after personal taxes, of \$65,000,000,000. In the fiscal year 1944, it is estimated that individuals will have incomes of \$126,000,000,000, after allowance for all present taxes. That is, after paying taxes, incomes of people in the United States will have almost doubled since 1939.

The incomes of the American people are not only ample to pay much higher taxes. The spending power of these incomes is so great as to threaten rapid and burdensome increases in the cost of living. About half of American productive effort is going into war equipment and supplies for our armed forces. These products are not available for civilian consumption. Yet our people are being paid for all they produce. They thus have far more money to spend than there are goods on which to spend it. In the fiscal year 1944 this surplus of income over goods is expected to amount to about \$36,000,000,000 after payment of personal taxes. If those who hold this surplus income try to spend it on consumer goods the inevitable result will be black markets, ruptured price ceilings, and substantial increases in the cost of living, followed by tremendous pressures for higher wages and farm prices, which will set in motion further forces in the spiral of inflation.

Up to this point spending has been held down and we have avoided disastrous price increases. We have done this through a variety of measures. Price ceilings and rationing, wage and salary stabilization, and the taxes already imposed have all had a restraining effect. The campaigns for the voluntary purchase of war bonds with their emphasis on saving have been a strong influence in curbing spending.

But we cannot expect these controls to hold indefinitely in the face of a continued large surplus of income over goods and a great accumulation of spendable liquid wartime savings. Day after day, the continuous pressure of spending power has been cracking our price controls a little here and a little there and threatens to produce a major break-down. We are courting danger if we do not do all that is possible through the tax mechanism to strengthen the foundations of our stabilization program.

I have been told that the American people do not believe in the dangers of inflation. I cannot believe that is true, but there may be a confusion of meaning. If by inflation is meant a situation where money becomes worthless, I agree that the danger now is not of that character. It is rather the danger of substantial and continuous and, at least in part, permanent rises in prices that would undermine standards of living, reduce the value of investments, and impair the security we seek to achieve through savings and insurance. Unfortunately, lack of belief in the danger of inflation does not remove that danger. There are few indeed who have followed with care the developments of the recent past who are not concerned over the possible break-down of the stabilization program. Higher wartime taxes obviously cannot meet the danger alone but they are necessary if it is to be met.

I have also been told that some people have a defeatist attitude toward our fiscal problem. They argue that, since the deficit is so large, the Government debt so huge, and the inflationary possibilities of surplus income and accumulated private savings so great, a few billion dollars more or less will not make a great deal of difference and that, therefore, we might as well avoid the unpopularity of imposing additional taxes. I think this would be a poor excuse to give to the returning soldier who will be interested to know what sacrifices we incurred at home to protect his future.

In fact, however, \$10.5 billion of additional taxes would have very important effects on the deficit, the debt, and the inflationary pressure. In its direct effects on spending, in the renewed assurance it would give that the elected and appointed representatives of the people take the problems of the public debt seriously, and in the sobering influence it would have on public understanding of the true cost of the war, a \$10.5 billion increase in taxes would be immensely beneficial.

Perhaps the most superficially plausible and therefore the most insidious argument I have recently heard is that economy in governmental expenditures is a substitute for higher taxes. Economy is always an important objective and a tax bill makes it neither more nor less desirable. I am in complete and hearty sympathy with any measure that can be adopted to reduce governmental costs, to reduce even war costs so long as the reductions do not impair our war effort. But if we are to fight the war to a speedy conclusion we cannot relax our fighting or our production for war. That means we cannot significantly relax our spending. I am not in sympathy with any measures or any proposal to cut expenditures in any way that will make our total production anything less than an all-out effort.

At the time I appeared before the Ways and Means Committee, I said that "while it may be possible, and I hope it is, to curtail some governmental expenditures, even that will not lessen our need for getting at this time all that the American people can possibly give us in additional taxation." That is still my position.

The Bureau of the Budget has just released estimates that total expenditures for the fiscal year 1944 which ends next June 30 will amount to \$98,000,000,000 instead of the \$106,000,000,000 in the estimate issued last August. It is understood that this decrease in expenditures represents a combination of changes in the war program and a delay in reaching the production goals of some items. Revenues were estimated at \$41,000,000,000 instead of \$38,000,000,000. The over-all result of the revision is to reduce the previously expected deficit from \$68,000,000,000 to \$57,000,000,000 for the fiscal year 1944.

There is nothing in the new Budget figures in our opinion to warrant reducing our goal below \$10.5 billion of additional wartime taxes. If no one had originally expected more than a \$57,000,000,000 deficit for the fiscal year 1944, the amount would appear tremendous, which it truly is. It is no less so because it represents a reduction from a previously estimated higher figure; \$57,000,000,000 is equal to last year's record deficit, and is almost three times the deficit of 1942.

The Budget revisions do not alter the fact that we can pay much higher taxes; they do not in any degree affect our moral obligation to meet now all of the costs of the war that can be met by current taxation; and they do not affect in significant degree the serious inflationary dangers that face us for the balance of this fiscal year, the succeeding fiscal years as long as the war shall last, and in the post-war period. Our tax goal, as I pointed out to the Ways and Means Committee, was the amount that we believed could be fairly distributed without undue sacrifice and hardship. From every point of view it is a minimum fiscal program in the light of the deficit, the accumulated debt, and the inflationary pressure.

In view of all these facts, the House bill, in my opinion falls far short even of an attempt to meet our fiscal needs in a realistic or courageous way.

Let us bear in mind that an essential part of fighting a war is paying for it in the right way at the right time. There is no escape from the cost of war. It is a great fallacy to suppose that we can fight history's greatest war to save what we hold most dear without financial sacrifice. Inevitably we shall experience much greater financial sacrifice than we have thus far. Taxation now, during the war, is the easiest way to make that sacrifice.

In presenting our national fiscal problem to you, I have endeavored to perform the duty placed on the Secretary of the Treasury by law and tradition. I have endeavored to show you as objectively and as clearly as I can that a tax program of not less than \$10.5 billion is needed to safeguard the financial and economic future of this country during the war and after the war.

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#### SUPPLEMENTAL STATEMENT I—THE SALES TAX

The Treasury proposals do not include a general sales tax. I should like briefly to state the reasons for our decision.

The form of sales tax which would produce the most revenue and cause the least rupturing of price ceilings is the retail sales tax. The highest rate I have heard mentioned is 10 percent. That is over three times as high as the rate now in force in any State.

A 10 percent sales tax with no exemptions for necessities of life would raise at current sales levels about \$6 billion, or about one-tenth of this year's estimated deficit.

Such a tax would be very harsh, especially on low income families with children. It is completely lacking in any relation to ability to pay because it hits families much harder than single individuals at the same income levels and it hits people with small incomes much harder than people with larger ones. Such a tax would

be opposed to every principle of tax equity and would in my opinion interfere with the war effort.

There are many proponents of the sales tax who would agree with these criticisms and who propose to meet them by allowing exemptions of the necessities of life. Such exemptions would indeed improve the character of the tax, although they would still leave the discrimination against large families. However, the exemptions would quickly remove so much of the tax base as to leave little more than an empty shell.

The exemption of food would reduce the yield by \$2.4 billion; the exemption of medicine would reduce the yield another \$200 million; the exemption of clothing would reduce the yield by another \$1.1 billion. Those exemptions do not include all of the necessities of life, but let us stop at that point. A sales tax with such exemptions would yield about \$2.6 billion. However, of that amount about \$1.2 billion would come from goods and services already subject to Federal excise taxes. The tax yields from the sale of these commodities can be increased or decreased by adjusting the excise tax rates. No sales tax is needed to produce revenue from them. All that is left after excluding such commodities is \$1.4 billion. Nearly \$600 million of the \$1.4 billion would come from equipment, chemicals, and materials used in business and thus entering into the costs of doing business, with resultant increases in the costs of doing business and in prices to the Government and to the public.

Most of the remaining \$800 million tax would be on items that might properly be subject to sales taxation. It is hardly necessary to point out that the expenses to 2½ million businessmen and increased costs to Government, as well as the use of precious manpower, would not be justified by yields of this kind when there are other methods of raising money at hand which do not call for heavy increases in costs of administration and compliance.

It is very doubtful if a general sales tax without the exemption of necessities of life would really be helpful in financing the war or restraining inflationary price rises. The imposition of a substantial sales tax would almost surely be the signal for widespread demands for higher wages and farm prices which, if allowed, would result in large additional costs to Government and increases in the cost of living over and beyond the amount of the tax. These dangers are much greater in the sales tax than in excise taxes or income taxes. Excise taxes touch in only minor respects commodities that are necessities of life, while income taxes have personal exemptions which protect minimum living standards.

Personal exemptions could be introduced into the sales tax, but the inconvenience of distributing and using exemption coupons and the resultant reduction in revenue would be serious factors. Even the most simple sales tax would require the use of much precious manpower and machines by Government and business. It is doubtful if manpower and those machines could be secured without interfering with the war effort.

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#### SUPPLEMENTAL STATEMENT II.—TAX BURDENS ON THE LOWER INCOME GROUPS

It is contended that persons with incomes of less than \$5,000 are the major source of inflationary pressure and that these persons would escape their fair share of the additional tax load under the Treasury proposals. Although at 1944 levels of income about 81 percent of the total cash income will be received by persons with incomes under \$5,000, only 65 percent of the net income above income tax exemptions will be received by this group. Likewise, although 61 percent of total income will be received by persons with incomes under \$3,000, only 39 percent of the net income above income tax exemptions will be received by this group.

Looking behind these aggregates to individual cases we find that the margin of disposable income over and above wartime needs is very narrow for the millions of persons in the lower income brackets. Out of 67.3 million income recipients in the calendar year 1944, 58.2 million are expected to receive net incomes of less than \$3,000. The average cash income per recipient before taxes will be \$1,650 and after existing taxes, about \$1,500. The demands of wartime living on incomes of this size leave little margin for additional taxes and afford few opportunities for inflationary spending.

Nevertheless, the urgent requirements of war finance demand that we tap even this small margin of disposable income. Under the Treasury proposals one-half of the income tax increases would fall on persons with net incomes of less than \$5,000 and about one-fourth on persons with less than \$3,000. Much the same proportions hold for the complete Treasury program, including proposed changes in corporation taxes and in excise taxes.

## Exhibit 48

*Statement of Randolph E. Paul, General Counsel for the Treasury Department, before the Senate Finance Committee, November 29, 1943, discussing Treasury tax proposals in detail and comparing them with provisions of the House bill\**

## A. INTRODUCTION

The purpose of my statement today is, first, to explain in detail the specific recommendations of the Treasury and to compare them with the provisions of H. R. 3687, the House bill; second, to indicate some of the technical considerations underlying the Treasury proposals; and, third, to examine with you some of the principal criticisms which have been made of the administration's proposals for \$10.5 billion of additional taxes.

## B. REVENUE COMPARISON OF THE TREASURY PROPOSALS AND THE HOUSE BILL (H. R. 3687)

In his statement to the Ways and Means Committee on October 4, 1943, the Secretary recommended wartime tax increases totaling \$10.58 billion for a full year of operation. The bill now before you would raise \$2.05 billion. These totals are made up as follows:

[In millions of dollars]

	Increases under—	
	Treasury proposals	House bill <sup>1</sup>
Individual income taxes.....	6,528.5	226.0
Corporate taxes.....	1,138.1	467.9
Estate and gift taxes.....	401.6	.....
Excise taxes.....	2,511.1	1,194.8
Miscellaneous receipts.....	.....	158.8
	10,579.3	<sup>2</sup> 2,047.5

<sup>1</sup> For a detailed comparison of estimated liabilities under the present law and the House bill, see pp. 431-434.

<sup>2</sup> This estimate is in contrast with the Ways and Means Committee's estimate of a yield of \$2,139,000,000.

There is attached hereto as appendix A a statement comparing the proposals made by the Treasury to the Ways and Means Committee with the provisions of the House bill.

## C. THE INDIVIDUAL INCOME TAX

The major objectives of the Treasury individual income tax proposal are (1) to simplify the income tax by absorbing the Victory tax into the regular income tax structure, and (2) to add \$6.5 billion to tax revenues. The major objective of the income tax provisions in the House bill is to replace the Victory tax with a minimum tax and adjustments in the regular income tax.

## I. SIMPLIFICATION THROUGH VICTORY TAX INTEGRATION

The chairman of this committee and many others have expressed concern over the complexities of our tax laws and an urgent desire to simplify our tax structure. The Treasury shares the view that simplification is a first order of business, and on several occasions has made specific suggestions to this end. Especially in the case of the individual income tax, which directly affects more than 50,000,000 taxpayers, simplification has become crucially important. No really effective simplification is possible without eliminating the Victory tax. Both the Treasury proposal and the House bill recognize this fact by replacing the Victory tax with adjustments in the regular income tax.<sup>1</sup>

\*In the interest of brevity 17 of the 18 exhibits submitted with Mr. Paul's statement, a section on the sales tax duplicating the Secretary's statement on this subject, and the charts are here omitted, and the text has been adjusted accordingly. The full statement may be found in the Hearings of the Senate Finance Committee on the Revenue Act of 1943, pp. 25-98.

<sup>1</sup> One proposal for simplification recommended by the Treasury has already been adopted and will apply to 1943 tax returns filed next March. In Public Law 178, the Congress changed the Victory tax rate from a gross to a net basis by providing for automatic current allowance of the post-war credit. This change eliminates a complicated step in computing the Victory tax.

(a) *Comparison of Treasury and House bill methods of integration.*—The method suggested by the Treasury to absorb the Victory tax into the regular income tax structure would (a) repeal the Victory tax; (b) eliminate the earned-income credit; (c) reduce the personal exemption for a married person or head of family from \$1,200 to \$1,100, and the dependent credit from \$350 to \$300, leaving the single person's exemption unchanged; and (d) increase surtax rates by 3 percentage points on surtax net income up to \$38,000, and by 4 to 7 points above that level.

The House bill (a) repeals the Victory tax; (b) eliminates the earned-income credit; (c) imposes a minimum tax of 3 percent on the excess of net income over special personal exemptions (\$500 for a single individual or a married person filing a separate return, and \$700 for a married couple filing a joint return, plus \$100 for each dependent);<sup>2</sup> (d) sets the personal exemption under the regular income tax at \$500 for each married person filing a separate return; (e) increases the normal tax rate from 6 percent to 10 percent; and (f) decreases surtax rates by 1 percentage point on surtax net income between \$6,000 and \$12,000 and increases them by 1 to 3 percentage points on surtax net income above \$38,000. The combined normal tax and surtax increase would be 4 percentage points on net taxable income up to \$6,000; 3 points between \$6,000 and \$12,000; 4 points between \$12,000 and \$38,000; and 5 to 7 points above that level.

Comparing the Treasury proposal with the House bill, we find that they differ sharply in the technique of integration. The principal difference is this: The House bill substitutes for the Victory tax a 3 percent minimum tax with new exemptions; the Treasury proposal employs no minimum tax but would reduce the credit for dependents by \$50 and the exemption for a married couple by \$100.

(b) *Analysis of the integration plan in H. R. 3687.* In the process of absorbing the Victory tax into the regular income tax structure, both the House bill and the Treasury proposal eliminate the earned-income credit and thereby simplify tax computation. But the real promise of simplification this year lies in substituting a single income base for a double base, a single set of exemptions for a double set, and a single tax computation for a double one. The Treasury integration proposal would realize this promise in full. The House bill realizes the same promise only in a minor degree, and at the same time adds some complexities found neither in the present law nor in the Treasury proposal.

The House bill eliminates the gross base of the Victory tax and substitutes a single for a double tax computation on the simplified form (Form 1040A). Both the regular income tax and the minimum tax are computed on the basis of income tax net income. Moreover, a table indicating the regular tax and minimum tax is provided for users of the simplified form. This is all to the good, but it is only a small part of the simplification that is needed.

The House bill does not eliminate the dual set of personal exemptions and will still require users of the long form (Form 1040) to determine which of two taxes applies to their incomes. In addition, it will confuse taxpayers with its complicated minimum tax. It will make it disadvantageous for many taxpayers now using the simplified form to use that form in the future. It will require millions of married couples to go through a series of alternative tax computations to ascertain their lowest possible liability.

(1) *Confusion caused by minimum tax:* The House bill provides that taxpayers shall pay either the minimum tax or the regular tax, whichever is larger. Two alternative taxes with different rates and exemptions will confront taxpayers using the long form. A table can be appended to that form showing the net income "breaking points" above which the regular tax applies and below which the minimum tax applies. But this mechanical guide cannot remove the confusion inherent in having two alternative taxes side by side.

The confusion caused by the House bill may perhaps best be visualized by a specific example. Take the case of a married couple with two dependents, the husband having \$900 of net income from business and the wife \$700. Their minimum combined liability under the House bill will be realized by filing separate returns, each claiming one dependent. The husband will be subject to the regular tax, the wife, to the minimum tax. The husband will get a \$350 credit for the one dependent and will apply a 23 percent rate to his income. The wife will get a \$100 credit for the other dependent and will apply a 3 percent rate to her income. The confusion in this family is apparent.

(2) *The necessity of comparing taxes under separate and joint returns:* Under the House bill the problem of choosing between joint and separate returns is not

<sup>2</sup> The taxpayer pays either this minimum tax or the tax computed at the regular rates and exemptions, whichever is higher.

only greatly complicated, but is forced upon millions of taxpayers not now affected by it because of the difference in aggregate exemptions depending upon whether separate or joint returns are filed. Under present law the problem is restricted to the comparatively few married couples having combined net incomes reaching beyond the first surtax bracket. The choice is fairly clear. It involves persons who are for the most part familiar with tax procedure. To married couples with combined surtax net incomes below \$2,000, it is generally a matter of indifference whether they file separate or joint returns.

However, under the House bill it is no longer a matter of indifference. Married taxpayers in even the lowest income brackets, many of them newcomers to the income tax, will be driven to compare the tax advantages of joint and separate returns. They will find that the advantage shifts with the size of income, with the particular division of income between husband and wife, and with the number and division of dependents. Because of these variables, no clear dividing lines or income zones can be established to guide taxpayers into one type of return or the other. In order to determine their lowest tax liability, they will have to resort to a method of trial and error involving numerous alternative computations.

Merely stating the provisions of the House bill on this point demonstrates how bewildered the taxpayer will be. Under the minimum<sup>3</sup> tax husband and wife receive an exemption of \$500 each, or a total of \$1,000, if they file separate returns, but only one \$700 exemption if they file a joint return. Under the regular income tax, their exemption is still \$500 each, or a total of \$1,000, on separate returns, but is \$1,200 on a joint return.<sup>4</sup> In other words, the minimum tax exemption will be smaller under a joint return than under separate returns, thus offering an inducement to file separate returns. The regular tax exemption, on the other hand, will be greater under a joint return than under separate returns, thus offering an inducement to file joint returns. By setting the credit for dependents at \$100 for the minimum tax in contrast with \$350 for the regular tax, the House bill further complicates the choice between joint and separate returns.

The large number of variables injected by the House bill will force husband and wife who both receive income to compute a series of alternative taxes to ascertain their lowest possible liability. I should like to cite an example which brings home more forcibly than any lengthy explanation the nature of the compliance burden imposed on these taxpayers. The example is that of a married couple with 3 children and a net income of \$2,125, of which the husband receives \$1,250 and the wife, \$875. Using Form 1040, this couple could reach five different tax results. This would involve nine separate tax computations. These computations are necessary to determine the maximum tax advantage under (1) joint or separate returns and (2) different divisions of the dependents between husband and wife. (See illustration in appendix B.) To be absolutely certain that they have arrived at their lowest possible tax, this couple would also have to make nine tax determinations on the short form (1040A). The actual case in which 18 tax computations would be made to ascertain the lowest tax would be rare. But the mere fact that such cases can occur and that a problem similar in kind, if not in degree, will be faced by many taxpayers is a serious indictment of this phase of the House bill.

With such extreme complexity established beyond any doubt, the question might still arise (a) whether the number of necessary tax computations is much larger than under present law, (b) whether the tax differentials involved are substantial, and (c) whether many taxpayers will be affected.

(a) There is no incentive under present law for married persons with small incomes to file separate returns, and the problem of allocating dependents is thereby avoided.

(b) The illustration in appendix B shows that the tax differentials under the various procedures for computing the tax can be very substantial. On the modest income of \$2,125 in the example cited, the tax liability computed on Form 1040 ranges from \$24.75 under the most advantageous method to \$174.75 under the least advantageous method of filing.

(c) Estimates indicate that the House bill will confront well over 10 million married couples with the choice between joint and separate returns. Under that bill it is estimated that 10.7 million joint returns will be filed for 1944.<sup>4</sup>

<sup>3</sup> None of the \$500 exemption allowed on a separate return may be shifted from one spouse to the other under either the minimum or the regular tax.

<sup>4</sup> Under present law, 8.2 million joint returns are expected, while under the Treasury integration proposal the figure would be 6.7 million.



In addition, a number of separate returns will also be filed by married couples where both receive income. The great majority of millions of married couples will decide to file either joint or separate returns only after making difficult, time-consuming comparisons.

(3) Decreased use of the simplified return: Another undesirable byproduct of the House bill is that it would in effect deny the use of the simplified form (1040A) to many taxpayers now able to use that form. Husband and wife may use Form 1040A as a separate return as long as both use it and neither has more than \$3,000 of gross income. The House bill, by providing married couples with a \$1,200 exemption if they file joint returns but a combined exemption of only \$1,000 if they file separate returns, places a premium on joint returns. As a result, many married persons with combined gross incomes between \$3,000 and \$6,000, who now file separate returns on Form 1040A, will be penalized by a \$200 reduction in exemption if they continue to use Form 1040A. Plainly, they will turn to the more complicated Form 1040. Since it is desirable to extend rather than restrict the use of the simplified form, this effect of the House bill is unfortunate.

(4) Complication of the withholding process: In addition to complicating tax returns and the filing process, H. R. 3687 complicates collection at the source and raises new problems for employers. Many employers withhold on the exact basis instead of by wage brackets, either to approximate the final liability more closely or because their mechanical equipment requires the use of the exact computation. Since the Victory tax exemption is \$624 regardless of family status, present law requires the employer to apply only one set of exemptions varying with family status. But under the House bill the minimum tax will also have variable exemptions. Employers will thus be confronted with two sets of varying exemptions, as well as two tax rates, in determining how much to withhold.

The problem of year-end refunds and additional tax payments is also aggravated.<sup>5</sup>

Husbands and wives filing separate returns have fixed exemptions of \$500 each. No shift of part of the exemption from one to the other is permitted as under present law. Situations will frequently arise, therefore, where one spouse is entitled to a refund and the other is subject to additional tax. Yet, because the exemption is fixed at \$500, the opportunity that exists today for canceling out the refund and the additional liability is removed. For example, if the wife works part of the year but does not take any of the withholding exemption, she is entitled to a refund. The husband, who takes the entire withholding exemption, will probably have to pay additional tax. But even if the wife's refund is equal to or greater than the husband's remaining liability, there is no way of shifting the personal exemption and thus offsetting one against the other. He will have to pay the tax and she will have to wait for a refund.

(5) Complication of the administrative process: The House bill also makes heavy demands upon administration. For 1944, it will require the filing and processing of 41.7 million returns, representing 52.4 million taxpayers, in contrast with the Treasury proposal, which would require only 36.5 million returns representing 43.2 million taxpayers.<sup>6</sup> The House bill, like the present law, requires millions of returns from persons in those income brackets in which the ratio of administrative effort to tax proceeds is highest. Moreover, the complexity and confusion generated by the double exemptions and computations and by the involved choice between joint and separate returns will inevitably burden administration. Both in terms of the taxpayers who will throng the collectors' offices for help, and in terms of the volume of errors that taxpayers will make, the House bill magnifies the problems of administration.

(c) *Contrast of House bill with Treasury integration proposal from the standpoint of simplicity.*—The contrast between the House bill and the Treasury proposal on the score of simplicity is complete. What the House bill gains in removing the Victory tax, it loses in introducing the minimum tax. It retains the complexities of a double tax system and adds special vagaries of its own. It burdens administration with new problems at a time when it is still faced by the enormous task of adjusting itself to current collection. Worst of all, it will require taxpayers to struggle with the new minimum tax concept even before they finish hurdling the Victory tax barrier.

<sup>5</sup> The Treasury has recommended changes in the withholding procedure that would minimize the problem of year-end refunds and additional tax payments. The Treasury proposed that withholding be applied on a graduated basis to the taxpayer's full liability rather than merely to his partial liability under the normal tax and the first bracket of surtax. It also proposed narrower withholding brackets to adjust amounts withheld more closely to actual tax liabilities.

<sup>6</sup> Under present law the figures would be 44.1 million returns and 52.3 million taxpayers.

Under the Treasury proposal, on the other hand, there would be no double tax base, no double exemptions, and no multiple choices and computations. Administration would be simplified by dropping the Victory tax. Similarly, withholding would be simplified by dropping the minimum withholding feature necessary to guarantee collection of the Victory tax. Most important, compliance would be simplified. Taxpayers could face the prospect of filing their necessarily complicated annual return next March with the assurance that future income tax returns would be both more understandable and simpler.

(d) *Tax increases and decreases under the House bill and the Treasury integration proposal.*—Some contend that the Treasury proposal achieves simplicity at an excessively high cost in tax reduction for taxpayers in the lowest brackets and that the House bill involves no corresponding cost. I should like to cite the facts refuting this contention.

The Treasury integration proposal would exempt entirely 9.1 million taxpayers who now pay a net Victory tax of 275 million dollars. Including these, it would reduce taxes for 18 million taxpayers, the combined reduction totaling 436 million dollars. The House bill exempts only 130,000 taxpayers, but reduces taxes for a total of 26.0 million taxpayers; the aggregate reduction is 370 million dollars, only 66 million dollars less than the Treasury proposal. The Treasury proposal would increase liabilities for 34.4 million taxpayers, the increases totaling 711 million dollars. The House bill increases liabilities for 26.4 million taxpayers, the increases totaling 459 million dollars. While the 9 million taxpayers who would be exempted under the Treasury proposal pay 275 million dollars under present law, they would pay only 161 million dollars under the House bill. This figure of 161 million dollars measures the reduction involved in their elimination from the income tax rolls.

Any integration plan will inevitably change liabilities of many taxpayers. The major concern should be that the changes meet the tests of simplicity and fairness. The Treasury changes meet these tests far better than the changes in H. R. 3687. While the Treasury integration proposal would reduce taxes only for taxpayers in the lowest brackets and subject to family responsibilities, the House bill would apply reductions to taxpayers with incomes as high as \$3,931 (married person with two dependents) and \$4,572 (married person with three dependents). More important, the Treasury proposal would simplify the entire income tax structure in eliminating \$275,000,000 of tax for the 9,000,000 taxpayers least able to pay and most expensive to tax. In contrast, the House bill complicates that structure and multiplies the compliance burdens of over 50,000,000 persons merely to keep the 9,000,000 taxpayers on the rolls, and to exact from them the relatively small sum of \$161,000,000. It seems utterly unreasonable to erect a mountain of complexity for such a molehill of revenue.

(e) *Conclusion on simplification.*—Simplicity in income taxation implies both mechanical ease of compliance and understandability of the basic tax rules. The integration scheme in H. R. 3687 violates both of these standards. It has been amply illustrated that the mechanical problems of compliance under the minimum tax may be even more burdensome than those associated with the Victory tax. But even assuming that master tables could be developed to cope with most of the mechanical complexities of the House bill, the problem of simplicity would not be solved. The minimum tax and its relationship to the regular tax completely defy understanding on the part of the average taxpayer.

A tax law which affects over 50,000,000 people must be made understandable to them if it is to survive. It must be explainable to them over the radio, in the press, and through the mails. I might be able to visualize mechanical guides which would help taxpayers to stumble in robot fashion through income tax compliance under the House bill. I cannot visualize an information campaign that could make this tax understandable to taxpayers generally.

Putting the minimum tax in its proper perspective, it is not an overstatement to say that its complexities will jeopardize the whole income tax system. Merely to collect \$161,000,000 from 9,000,000 taxpayers near the bottom of the income scale, it endangers the collection of more than \$17,000,000,000 from over 50,000,000 taxpayers throughout the scale. The House bill offers the American taxpayer a minimum tax "cure" that is worse than the Victory tax "disease." We cannot afford to disappoint the mass of taxpayers who have been promised relief from the complexities of our present dual tax structure. We cannot risk a breakdown in the mainstay of our Federal tax system in the midst of total war.

The question of Victory tax integration is of crucial importance. I am firmly convinced that the Treasury integration proposal would achieve real simplification at a modest and entirely reasonable cost.

## 2. INCREASE IN REVENUE

(a) *The Treasury proposal.*—Thus far, I have discussed only the Victory tax integration segment of the Treasury individual income tax proposal. The Treasury has also recommended as part of a 10.5 billion dollar program of wartime taxes that an additional 6.5 billion dollars of revenue be raised in individual income taxes. The surtax-rate increases suggested to raise this revenue of course include the changes designed to absorb the Victory tax.

Two alternative schedules for raising approximately 6.5 billion dollars of added income tax revenue are also attached for the convenience of your committee. (See exhibit on page 437.) It will be seen that these alternative schedules would impose a heavier burden in the lower-income brackets than the October 4 proposal.<sup>7</sup> The exact additional burden is indicated in the footnote in my statement.

(b) *The House bill.*—Revenue is only an incidental consideration in the income tax provisions of the House bill. Those provisions will add \$226,000,000 to income tax revenues. Of this amount about \$90,000,000 is attributable to the changes made in connection with Victory tax integration. About \$150,000,000 is attributable to the disallowance of deductions for Federal import duties and miscellaneous excise and stamp taxes not otherwise deductible as business expenses.<sup>8</sup> The other individual income tax changes made by the House bill are of a technical character.

## 3. ANSWER TO CRITICISMS OF THE TREASURY PROPOSALS FOR HIGHER INCOME TAXES

I should now like to examine with you some criticisms that have been made of the Treasury's affirmative income tax proposals. The three arguments I shall examine are (1) that the Treasury proposals would not bear heavily enough on the lower-income brackets; (2) that the American people do not have the capacity to pay more income taxes, and (3) that income tax rates in 1944 will be confiscatory.

Now, I think I may omit reading the next part of my statement because it has been covered by the Secretary's testimony [on tax burdens on the lower income groups, page 419.]

(b) *Capacity to pay.*—A second contention is that the American people do not have the capacity to pay additional income taxes. The facts contradict this contention. Individual incomes after personal taxes amounted to \$65,000,000,000 in the fiscal year 1939 and are expected to amount to \$126,000,000,000 in the fiscal year 1944. The corresponding figures before subtracting personal taxes are \$68,000,000,000 and \$148,000,000,000. In other words, personal taxes show an increase of \$19,000,000,000 while incomes before taxes show an increase of \$80,000,000,000. Less than one-fourth of the increase in annual income payments generated by defense and war activities is being absorbed by taxes.

In an attempt to prove that American taxes are too high, it is argued that taxes in the United States are higher in terms of dollars per capita than in the United Kingdom and Canada.<sup>9</sup> This argument is, of course, grossly misleading, since it gives absolutely no indication of real burdens. How burdensome a given tax will be is determined by the ratio of the tax to the income from which the tax is paid. Personal incomes here are larger than in either Canada or Great Britain. Furthermore, the rates of income tax and excise taxes are higher in the Allied countries than here. Practically any citizen of the United States, if given the choice of paying American, Canadian, or British taxes, would choose the American tax system, since his tax here would be the lowest.

(c) *The argument of confiscation.*—In connection with the argument that taxes will exceed capacity to pay, it is contended that our existing income tax rates are confiscatory. Those who make this contention point to the combined burden of current taxes, uncanceled 1942 liabilities, and State income taxes. It is said that this combination will exceed 100 percent of income in 1944.

<sup>7</sup> Persons with net incomes of less than \$5,000 would pay 3.5 billion dollars out of the total of 6.5 billion dollars additional income tax under the Treasury proposal of October 4; 3.9 billion dollars out of 6.7 billion dollars under alternative proposal A; and 4.4 billion dollars out of 6.8 billion dollars under alternative proposal B.

<sup>8</sup> This disallowance was recommended by the Treasury. At present, the allowance of deductions under sec. 23 (c) is inconsistent and depends entirely on the legal language used in imposing the tax. For example, admissions taxes are allowed as deductions, but the cabaret tax is not. Uniformity in the matter of deductibility is desirable. Revenue, administrative, and equity considerations also suggest disallowance of these taxes insofar as they constitute personal expenses.

<sup>9</sup> See p. 8, H. Rept. No. 871 on the revenue bill of 1943.

Such statements are grossly misleading. They ignore two facts. The first is that the Federal income tax allows for the deduction of State income taxes in computing net income. This deduction protects the taxpayer from a confiscatory combination of State and Federal taxes, even if the State tax does not permit the deduction of the Federal tax.

The second fallacy lies in comparing 2 years' taxes, or  $1\frac{1}{2}$  year's taxes, with 1 year's income. The uncanceled part of the 1942 tax is in no sense a tax on 1944 income. This becomes entirely clear when it is realized that a person having no 1942 income has no uncanceled tax to pay in 1944, and would therefore not be covered by the schedules combining the 2 years' taxes. As a matter of fact, when the taxes for 2 years are combined with the net income for 2 years, as they should be, it becomes apparent that the 75 percent cancellation is a windfall which has made it easier, not harder, to pay taxes on 1944 income.

#### D. CORPORATION TAXES

The Treasury suggested to the Ways and Means Committee (a) that the surtax on larger corporations (those with net income in excess of \$25,000) be increased by 10 percentage points and on smaller corporations by 4 percentage points; (b) that no change be made in the excess-profits tax rates; and (c) that certain changes be made in the existing provisions for carry-back of losses and unused excess-profits credits. The Treasury proposals would increase corporate tax revenues by \$1,138 million.

The bill passed by the House (a) makes no change in the surtax rate; (b) raises the excess-profits tax rate to 95 percent; (c) reduces the excess-profits credit for some corporations by lowering the percentages allowed on invested capital; (d) raises the specific exemption for excess-profits taxes from \$5,000 to \$10,000; (e) makes no change in the carry-back of losses and unused excess-profits credits; and (f) provides special tax treatment for certain natural resources industries. The House bill increases corporate tax revenues by \$468 million. I should like to discuss these matters in detail.

#### 1. COMPARATIVE EFFECTS OF INCREASES IN SURTAX AND INCREASES IN EXCESS-PROFITS TAX

Unlike an increase in surtax rates, which would increase the net tax liability (after post-war credit) of all taxpaying corporations, the increase in the excess-profits tax rate under H. R. 3687 will increase liabilities for comparatively few corporations. Corporations not subject to the excess-profits tax and those already subject to the 80 percent ceiling on corporate taxes will have no added tax to pay. Of 263,000 taxable corporate returns estimated for 1944, 71,000, or about <sup>27</sup>27 percent will be subject to excess-profits tax. Moreover, the 80 percent ceiling will apply to 4,300 corporations or approximately 6 percent of all excess-profits taxpayers. This 6 percent, however, will pay about 40 percent of total excess-profits taxes in 1944. An additional 3,200 corporations will become subject to the 80 percent ceiling as a result of the 5-percentage-point increase in the excess-profits tax rate. The effect will be to limit still further the range of corporations to whom the full increase would apply. It would apply only to the residual class, namely, corporations that pay excess-profits taxes, but will not become subject to the 80 percent tax ceiling.

In contrast with the House bill, the Treasury proposal would increase the net liability of all corporations. For those subject to the 80 percent ceiling, an increase in the surtax would mean a decrease in the share of their 80 percent tax represented by excess-profits taxes. As a result, their post-war credit would be smaller and their liabilities correspondingly larger, even though their gross tax payments were unaffected. For all other corporations, both the gross payment and the net liability would be increased.

From the foregoing analysis it is apparent on the one hand that the House bill will not strike corporate profits generally, but only a restricted segment of corporate profits. On the other hand, it will not strike approximately one-half of the excess profits, nor will it touch the most profitable corporations. To reach corporate profits generally, an increase in surtax rates would be necessary. To reach the bulk of excess profits and the most profitable corporations, added excess-profits taxes would have to be coupled with an upward revision of the 80 percent limitation.

Because of its broad coverage, the corporate surtax affords an instrument for tapping war profits that are not defined as excess profits in our tax law. At best, it is extremely difficult to single out excess profits and war profits by legal defini-

tion. An excess-profits tax cannot be a perfect instrument; a 90 percent or a 95 percent excess-profits tax rate does not mean that the Government will recapture 90 or 95 percent of the war profits of corporations. In the area labeled "normal profits" there are bound to be some war profits. For example, many corporations with large invested capital but low normal earnings, receive substantial war profits without becoming subject to excess-profits taxes. The same is true of corporations with high base-period earnings now engaged in the production of war materials. Other corporations have had their excess-profits tax liabilities substantially reduced by the special relief provision in the tax law. Still others will ultimately have a substantial proportion of their excess-profits taxes refunded to them under the operation of the carry-back provisions.

The surtax thus offers greater assurance that all corporations which have benefited from the war will make an additional tax contribution.

A further reason in favor of a surtax rate increase, as distinguished from an excess-profits tax rate increase, may be found in the comparative effect on managerial profit incentives. Financial incentives to efficient management depend upon the number of cents the corporation retains out of each additional dollar of profit. The House bill would increase the net tax (after post-war credit) on each dollar of excess-profits from 81 to 85½ cents. Under the Treasury proposal for an increase in surtax rates, not more than 50 cents would ordinarily be taken out of each dollar of normal profits, and the present figure of 81 cents for excess profits would not be touched.<sup>10</sup> The increase in surtax proposed by the Treasury is less likely to impair financial incentives than would an increase in the excess-profits tax rate. With corporate rates at their present levels, the impact on incentives cannot be ignored in making tax decisions.

The Treasury agrees that our corporations should be kept "in a sound financial condition so that they may be able to convert to peacetime production and provide employment for men leaving the armed forces after the war."<sup>11</sup> But figures on corporate earnings, dividends, and accumulations make it clear that added taxes can be levied without unduly burdening profits and profit incentives, and without impairing the sound financial condition of corporations generally. Corporate profits (excluding dividends received) will reach an estimated level of \$22.6 billion for 1943. This is more than four times the corporate profits for the year 1937, one of the most prosperous years of the thirties. Taxes have also risen sharply during this period, both because of increases in corporate income and because of increases in rates. But they have failed to keep pace with earnings. In 1937, corporations had left less than \$4,000,000,000, after paying one and one-fourth billion dollars of taxes. In 1943, corporations will have left nearly \$9.2 billion, even after paying \$13.5 billion of taxes. In 1944, corporate profits, after taxes at present rates are expected to reach \$9.9 billion, or three times the average annual profits after taxes from 1936 through 1939.

Figures on dividends and undistributed profits are also impressive. Average dividends from 1936 to 1940 were \$4.1 billion, 1937 being the peak year, when \$4.8 billion were distributed.<sup>12</sup> In spite of war taxes, dividends for 1941, 1942, and 1943 are estimated at \$4.5 billion, \$4.1 billion, and \$4 billion, respectively. It is estimated that even after paying taxes and dividends, American corporations will accumulate over \$12,000,000,000 of undistributed profits for the 3 years 1941, 1942, and 1943.

Recent studies show that liquid assets of corporations have risen even faster than retained earnings. Nonfinancial corporations increased their holdings of currency, bank deposits, and United States Government securities by \$12,000,000,000 during the two years 1941 and 1942 according to an estimate prepared by the Securities and Exchange Commission. If the accumulation of liquid assets in the first half of 1943 should continue at the present rate through the year, the total increase would be \$25,000,000,000 for the 3 years 1941, 1942, and 1943. A study just released by the Federal Reserve Board indicates that business deposits, both corporate and noncorporate, totalled \$30,000,000,000 on July 31, 1943.

It is recognized that the combined corporate and individual taxes on dividend income are higher in this country than in England and in Canada, and that steps must be taken after the war to relieve corporate stockholders of their disproportionate tax burden. However, so long as the war continues and corporations generally are able to maintain present abnormally high levels of earnings, the discrimination against this class of income recipient will continue to be more apparent than

<sup>10</sup> Corporations with income between \$25,000 and \$50,000 will, of course, be subject to higher marginal surtax rates as a result of the notch provision.

<sup>11</sup> See p. 5, H. Rept. No. 871 on the revenue bill of 1943.

<sup>12</sup> Dividend payments in 1936 and 1937 are generally conceded to have been abnormally high as a result of the undistributed profits tax in effect during those years.

real. The taxation of the excessive profits of corporations imposes no real burden on corporate stockholders.

I have indicated why the Treasury prefers to raise additional revenue by means of an increase in surtax rather than an increase in excess-profits tax. However, if your committee should decide in favor of an increase in the excess-profits tax rate, the Treasury suggests an upward revision of the 80 percent limitation on corporate taxes. Without this revision the increase in excess-profits tax rates will reach only a limited range of excess profits.<sup>13</sup>

## 2. CHANGES IN EXCESS-PROFITS TAX EXEMPTIONS AND CREDITS UNDER THE HOUSE BILL

The House bill provides for an increase from \$5,000 to \$10,000 in the specific excess-profits tax exemption.<sup>14</sup> This provision, which was recommended by the Treasury last year, will distribute the excess-profits tax burden more equitably between large and small business enterprises.

The profits of small business are likely to fluctuate more widely than profits of large business. Base-period earnings under the average-earnings method are, therefore, a less reliable index of normal earnings for small business than for large. An increase in exemption tends to avoid a penalty on extreme fluctuations of earnings without forcing a resort to the relief provisions of section 722.

Moreover, profits of small business are more likely to reflect a return on managerial efforts than a return on invested capital. Consequently, the increased exemption also aids small corporations using the invested capital base for determining excess profits.

The Treasury also agrees with the provisions reducing by 1 percentage point the invested capital credit in each of the brackets above \$5,000,000. Invested capital is generally used as a base for computing excess-profits credits only by those corporations which earned a low rate of return during the base period. Where such earnings were abnormally low, corporations are protected by the remedy in section 722. But corporations the base-period earnings of which were normally low should not be provided an escape from taxes on war-increased profits. Since a large invested capital credit unrelated to base-period earnings tends to provide such an escape, the proposed reduction will reduce an unfair advantage gained by large corporations having a history of low normal earnings.

The proposed reduction of the invested capital credit will also reduce the advantage gained by large corporations on borrowed capital. Because 50 percent of borrowed capital is included in invested capital, corporations can get a tax advantage by borrowing at rates of interest below the percentages allowed on invested capital. The large corporation generally has a higher credit standing than the small and therefore gets larger tax benefits from borrowing than the small corporation. This advantage will be reduced by the reduction in percentage allowances on invested capital.

## 3. SPECIFIC RELIEF MEASURES IN THE HOUSE BILL

The House bill provides special tax treatment for certain mine owners and operators. It extends percentage depletion and excess-profits tax exemption to several minerals as a means of stimulating their wartime production. Insofar as these fall within the category of strategic minerals designated by the War Production Board, the Treasury concurs with tax measures which will accelerate their output. But for minerals not so designated it is believed that the proposed treatment is unwarranted. A further statement on the Treasury position is contained in appendix D.

The House bill also extends to the natural gas industry the special excess-profits tax treatment now granted with respect to the accelerated output of depletable natural resources. Insofar as this treatment is extended to nonproducers of natural gas, this provision in the House bill appears to be undesirable. This point is further developed in appendix E. This appendix also contains a statement of the Treasury position with respect to the broadening of the excess-profits tax relief for coal and iron miners and timber tracts.

Tax relief measures can serve very useful purposes. But unless they are handled very carefully, they may simply become tax loopholes. If tax relief is

<sup>13</sup> A revision of the 80 percent limitation will improve the relationship of net taxes payable by corporations not subject to the tax ceiling and those which are subject to the tax ceiling. In appendix C to this statement, there are outlined three alternative methods of revising the 80 percent limitation to gain these advantages, which would still prevent net corporate taxes from exceeding 80 percent of net income.

<sup>14</sup> See p. 57, H. Rept. No. 871, on the revenue bill of 1943.

distributed without regard to need, it deprives the Government of much needed revenue, and distributes tax burdens inequitably among business enterprises. It must not be forgotten that reduction in the tax liabilities of especially favored taxpayers means increased tax burdens on all other taxpayers.

#### 4. ACQUISITIONS TO AVOID INCOME OR EXCESS-PROFITS TAX

At this point I would like to discuss one technical amendment which is of major importance. Section 115 of the House bill is intended to curb the development of a public market in which alleged tax benefits may be bought and sold. The currently advertised schemes are designed to enable a taxpayer with large war profits to avoid income and excess-profits taxes by purchasing for such purpose a losing or defunct corporation having large current, past, or prospective losses, deficits, or large current or unused profits credits. The utilization and advertisement of such devices has disturbed responsible taxpayers and their attorneys who have refused to use these schemes. It is also disturbing to the Government in its effort to administer the revenue laws equitably and uniformly.

The amendment disallows the part of the deduction or credit involved in the tax avoidance device, but only if the acquisition of an interest in or control of a corporation or property has occurred on or after October 8, 1940, and then only if one of the principal purposes "for which (the) \* \* \* acquisition was made or availed of is the avoidance of \* \* \* tax by securing the benefit of" such deduction or credit. The amendment is directed solely at those devices which distort or pervert the natural business relationship between a deduction or credit and the enterprise which produced it, and for the benefit of which the deduction or credit was provided by law. The gist of the distortion is the circumstance that such natural relationship has in whole or in part ceased, and that a taxpayer seeks to use the deduction or credit as an offset to the profits of an enterprise to which the deduction or credit does not bear a reasonable business relationship. The amendment in no way abridges the privilege of doing business in individual, partnership, or corporate form, or the privilege of filing a separate or a consolidated return, or any of the numerous choices which the structure of the tax system is intended to afford. But the amendment does operate whenever under any of these privileges or choices such a distortion or perversion of a deduction or credit appears. Hence the scope of the amendment in its field is precisely the same as that of sections 45 and 141 of the present law, where analogous distortions or perversions have been frequently described by the committee as "milking" or shifting of deductions and credits. The Treasury believes with the House that the amendment is a significant part of an equitable tax structure and that it is well adapted to accomplish its purpose.

#### E. ESTATE AND GIFT TAXES

In seeking sources of additional wartime revenue, we cannot afford to overlook estate and gift taxes. Increases in these taxes have not kept pace with tax increases generally. Small as their relative contribution to the total has been in the past, it has fallen during the war. Estate and gift tax collections for the fiscal year 1944 are expected to represent a smaller proportion of total tax receipts than at any time during the past 10 years.

In a period when huge additional revenues are needed, the beneficiaries of estates and gifts should contribute their full share to the cost of the war along with other groups of taxpayers. Yet, relatively few estates are subject to tax, and rates in the lower and middle brackets continue to be moderate. The Treasury has, therefore, recommended that the estate tax exemption be reduced from \$60,000 to \$40,000 and that estate tax rates be raised.\* Corresponding increases in the gift tax are also suggested. These changes would add \$400,000,000 to our revenues on a full-year basis. The proposed changes in the estate and gift tax provisions should be permanent, rather than simply for the duration of the war.<sup>15</sup>

<sup>15</sup> Two technical estate and gift tax provisions of the House bill deserve comment. As passed by the House, the bill contains an estate tax amendment which provides that in valuing stock or securities the value of which cannot be determined by reference to bid and asked prices or to sales prices by reason of the absence of listing for sales, there shall be considered, in addition to all other factors, the value of stock or securities of comparable corporations which are listed on an exchange. It is believed that this amendment is highly undesirable because it can only lead to continuous, unnecessary and costly litigation, and harbors dangerous potentialities for imposing unjust tax burdens upon the recipients of closely held stock.

The House bill also provides that in certain instances the appointment of a trustee, the vesting of discretion in a trustee as to the selection of beneficiaries or the distribution of benefits, or the exercise by a trustee of such discretion shall not be deemed a taxable gift. This provision is completely divorced from any reasonable classification of trusts and is enmeshed in ambiguities which can only produce manifold administrative difficulties and increase the litigation burden of taxpayers.

I should like to report to the committee that the Treasury is now making an extensive study of all phases of estate and gift taxation. For example, we are investigating the possibility of integrating the estate and gift taxes and correlating them with the income tax. An advisory committee, comprising some of the leading tax practitioners in the estate and gift tax field, is aiding us in this study. It is hoped that the study will lead to recommendations which will simplify these taxes and make them more effective and more equitable. It is anticipated that this study will be completed before the Congress considers the next tax bill.

#### F. EXCISE TAXES

The Treasury recommended that an additional \$2.5 billion be raised through increases in the rates and changes in the base of several existing excise taxes and through the enactment of two new excises. It is further recommended by the Treasury that the tax on transportation of property be repealed. In selecting specific items for heavier taxation and in setting the proposed rates, the Treasury gave careful consideration to the demand and supply conditions in affected industries and to the impact on producers and consumers. The \$2.5 billion excise tax recommendation was designed to be a part of a balanced over-all program.

Selected excises have much to commend them as a source of wartime revenue. They involve little increase in administrative machinery and compliance costs. At the same time, in most cases the higher levies would be shifted to consumers, thus avoiding undue burdens on business concerns. Since only a few nonessentials are affected, and since the tax can be avoided or reduced by cutting consumption of the taxed items, the excises will not cause hardship for consumers.

Excise taxes are far superior to a sales tax. They involve only a small fraction of the administrative and compliance effort demanded by a sales tax. Second, they bear on nonessentials rather than necessities. Third, they support rather than jeopardize the Government program to stabilize the cost of living.

For an elaboration of the points just made, I should like to refer you to appendix F. This appendix also compares the Treasury excise tax proposals with the House bill provisions, analyzes those provisions, and indicates why it is desirable to terminate excise tax exemptions on sales to the Federal Government, as recommended by the President.

#### G. RENEGOTIATION OF CONTRACTS

I think the agencies principally concerned may wish to present their views on the renegotiation provisions of the House bill. However, I should like to present the Treasury position on one of the renegotiation provisions that vitally affects the revenue system. I refer to the provision permitting aggrieved contractors to secure a redetermination of excessive profits by The Tax Court of the United States. I think it cannot be too strongly emphasized that the choice of The Tax Court as a forum for renegotiation litigation is an unwise one. For many years it has been recognized that the volume and complexity of Federal tax cases require a specially qualified and skilled tribunal, such as The Tax Court, which shall devote its entire time and efforts to their consideration and disposition. This need threatens to become even more pressing after the war. The inevitable accumulation of cases during the war and the development of many excess-profits tax cases, particularly those arising under the general relief provisions of section 722, make it obvious that The Tax Court faces a possible post-war crisis, without the addition of complex renegotiation-of-contracts issues to its calendar.

The renegotiation statute is not a taxing statute, but this proposal would tend to confuse renegotiation with taxes. It is also to be recognized that renegotiation cases, under the terms of the House amendments, will demand a large part of the time of any tribunal. Many issues will be presented, often difficult of proof; take for example the issue of a large contractor's efficiency or lack of it, which might occupy the court for weeks. It seems inevitable that few cases will be susceptible of quick disposition.

It is my very firm conviction that if the trial of renegotiation cases is added to the task that will confront The Tax Court, the prompt collection of revenue will be impaired, the rights of the Government and of taxpayers will be prejudiced, and the deservedly high reputation of the Court may greatly suffer. Any impairment of the reputation and efficiency of the Court would constitute a most serious blow to the proper administration of the tax law.



## H. CONCLUSION

This statement has dealt largely with the technical aspects of the Treasury proposals and the House bill. I believed that I could be of most assistance to the committee by concentrating on these aspects of the pending bill.

I have given special emphasis to simplification because of the crucial necessity of simplifying our tax laws. Unnecessary complications can put our entire war-time income tax program in jeopardy.

I hope that the committee will not misunderstand my emphasis upon simplification and technical matters. Total war makes broad demands on our tax system. Present taxes do not meet these demands, either in terms of paying for the war as we go, or in terms of combating inflation. The legacy of taxes at present levels will be not only a huge debt, but may also be a demoralized price structure both during and after the war. The growth of the public debt, and the imminence of inflation, force the conclusion that the Treasury's 10.5 billion dollars additional revenue goal is much nearer the minimum than the maximum demanded by total war.

*Estimated change in the Budget position of the United States resulting from the excise tax provisions (Title III) of the revenue bill of 1943 (H. R. 3687) as passed by the House of Representatives Nov. 24, 1943, for a full year of operation at levels of business estimated for the calendar year 1944.<sup>1</sup>*

Article or service	Present law	Revenue bill of 1943	Estimated additional revenue from excise tax provisions of the revenue bill of 1943
			<i>Million dollars</i>
1. Distilled spirits.....	\$6 per gallon (drawback of \$3.75 per gallon on non-beverage alcohol).	\$9 per gallon (drawback of \$5 per gallon on nonbeverage alcohol).	2 370.1
2. Beer.....	\$7 per barrel.....	\$8 per barrel.....	70.5
3. Wine:			
(a) Still:			
Under 14 per cent alcohol.	10 cents per gallon.....	15 cents per gallon.....	20.0
14 to 21 per cent alcohol.	40 cents per gallon.....	60 cents per gallon.....	
Over 21 per cent alcohol.	\$1 per gallon.....	\$2 per gallon.....	
(b) Sparkling.....	10 cents per half pint.....	15 cents per half pint.....	20.0
(c) Other.....	5 cents per half pint.....	10 cents per half pint.....	
4. Electric-light bulbs.....	5 percent of manufacturers' sales price.	25 percent of manufacturers' sales price.	20.0
5. Jewelry, etc.....	10 percent of retail price.....	20 percent of retail price; silver-plated flatware excluded.	81.9
6. Fur and fur-trimmed articles.....	do.....	25 percent of retail price.....	54.8
7. Toilet preparations.....	do.....	do.....	51.4
8. Luggage, handbags, wallets, etc.....	10 percent of manufacturers' sales price on luggage only.	do.....	53.4
9. Communications:			
(a) Toll service.....	20 percent of charge.....	25 percent of charge.....	36.9
(b) Telegraph, radiograms, etc.:			
(1) Domestic.....	15 percent of charge.....	do.....	
(2) International.....	10 percent of charge.....	15 percent of charge.....	
(c) Leased wires, etc.....	15 percent of charge.....	20 percent of charge.....	
(d) Wire and equipment service.....	5 percent of charge.....	7 percent of charge.....	
10. Local telephone service.....	10 percent of charge.....	15 percent of charge.....	48.9
11. Transportation of persons.....	do.....	do.....	70.9
12. General admissions.....	1 cent per 10 cents.....	2 cents per 10 cents.....	163.5
13. Cabarets.....	5 percent of charge.....	30 percent of charge.....	91.3
14. Club dues and initiation fees.....	11 percent of charge.....	20 percent of charge.....	5.1
15. Bowling alleys, billiard parlors.....	\$10 per alley per annum.....	do.....	27.0
	\$10 per table per annum.....	\$20 per table per annum.....	
16. Pari-mutuel wagering.....	None.....	5 percent of total amount wagered.	29.1
Total additional revenue, items 1 to 16.....			1,194.8

<sup>1</sup> The estimates are intended to reflect the net improvement in the Budget position of the United States resulting from the bill. Therefore, the portion of the bill which increases Federal receipts and expenditures to the same extent by terminating certain governmental excise tax exemptions (Title III, sec. 307, of the bill) does not increase the present estimate of the net yield of the bill over present law.

<sup>2</sup> Estimated additional net revenue yield after allowance for increased drawback on nonbeverage alcohol of 4.9 million dollars.

*Estimated change in the Budget position of the United States resulting from the revenue bill of 1943 (H. R. 5687), as passed by the House of Representatives Nov. 24, 1943, for a full year of operation at levels of income estimated for the calendar year 1944*<sup>1</sup>

[In millions of dollars]

	Net yield of tax program in excess of certain increased expenditures resulting from the revenue bill of 1943 <sup>1</sup>	Yield of present law	Increase (+) or decrease (−) over yield of present law <sup>1</sup>
1. Internal revenue:			
(1) Income and excess profits taxes:			
Corporation:			
Income.....	4,787.6	4,734.6	+53.0
Excess profits tax.....	11,349.6	10,888.8	+460.8
Declared value excess profits tax.....	105.6	105.6	-----
Total corporation (gross).....	16,242.8	15,729.0	+513.8
Less post-war credit.....	1,134.8	1,088.9	+45.9
Total corporation (net).....	15,108.0	14,640.1	+467.9
Individual:			
Net income tax.....	17,589.5	14,105.5	+3,484.0
Victory tax (gross).....		5,324.1	−5,324.1
Less post-war credit.....		−2,066.0	+2,066.0
Victory tax (net).....		3,258.1	−3,258.1
Total individual.....	17,589.5	17,363.5	+226.0
Total income and excess profits taxes.....	32,697.5	32,003.6	+693.9
(2) Miscellaneous internal revenue:			
Capital stock, estate, and gift taxes:			
Capital stock tax.....	400.0	400.0	-----
Estate tax.....	522.4	522.4	-----
Gift tax.....	40.2	40.2	-----
Total capital stock, estate, and gift taxes.....	962.6	962.6	-----
Taxes on commodities and services:			
Liquor taxes:			
Distilled spirits (domestic and imported) (excise tax) <sup>2 3</sup> .....	1,105.3	735.2	+370.1
Fermented malt liquors <sup>2</sup> .....	574.5	504.0	+70.5
Rectification tax <sup>2</sup> .....	11.5	11.5	-----
Wines (domestic and imported) (excise tax) <sup>2</sup> .....	56.6	36.6	+20.0
Special taxes in connection with liquor occupations.....	11.0	11.0	-----
Container stamps.....	9.4	9.4	-----
Floor stocks taxes.....	.6	.6	-----
All other.....	1.6	1.6	-----
Total liquor taxes <sup>1</sup> .....	1,770.5	1,309.9	+460.6
Tobacco taxes:			
Cigarettes (small) <sup>2</sup> .....	892.8	892.8	-----
Tobacco (chewing and smoking) <sup>2</sup> .....	45.0	45.0	-----
Cigars (large) <sup>2</sup> .....	31.7	31.7	-----
Snuff.....	7.0	7.0	-----
Cigarette papers and tubes.....	1.3	1.3	-----
All other <sup>2</sup> .....	.1	.1	-----
Total tobacco taxes.....	977.9	977.9	-----
Stamp taxes:			
Issues of securities, bond transfers, and deeds of conveyance.....	25.0	25.0	-----
Stock transfers.....	19.0	19.0	-----
Playing cards <sup>2</sup> .....	7.5	7.5	-----
Silver bullion sales or transfers.....	(5)	(5)	-----
Total stamp taxes.....	51.5	51.6	-----

Footnotes at end of table.

*Estimated change in the Budget position of the United States resulting from the revenue bill of 1943 (H. R. 3687) as passed by the House of Representatives Nov. 24, 1943, for a full year of operation at levels of income estimated for the calendar year 1944—Continued*

[In millions of dollars]

	Net yield of tax program in excess of certain increased expenditures resulting from the revenue bill of 1943 <sup>1</sup>	Yield of present law	Increase (+) or decrease (—) over yield of present law <sup>1</sup>
1. Internal revenue—Continued.			
(2) Miscellaneous internal revenue—Continued.			
Taxes on commodities, etc.—Continued.			
Manufacturers' excise taxes:			
Gasoline.....	251.1	251.1	.....
Lubricating oils.....	54.3	54.3	.....
Passenger automobiles and motorcycles.....	.9	.9	.....
Automobile trucks, busses, and trailers.....	3.5	3.5	.....
Parts and accessories for automobiles.....	25.0	25.0	.....
Tires and inner tubes.....	40.0	40.0	.....
Electrical energy.....	48.5	48.5	.....
Electric, gas, and oil appliances.....	3.6	3.6	.....
Electric-light bulbs.....	25.0	5.0	+20.0
Radio receiving sets, phonographs, phonograph records, and musical instruments.....	3.5	3.5	.....
Refrigerators, refrigerating apparatus and air conditioners.....	1.1	1.1	.....
Business and store machines.....	2.8	2.8	.....
Photographic apparatus.....	11.9	11.9	.....
Matches.....	10.5	10.5	.....
Luggage <sup>2</sup> .....	.....	5.0	—5.0
Sporting goods.....	2.0	2.0	.....
Firearms, shells, pistols and revolvers.....	.8	.8	.....
Total manufacturers' excise taxes.....	484.5	469.5	+15.0
Retailers' excise taxes:			
Jewelry, etc.....	171.1	89.2	+81.9
Furs.....	93.0	38.2	+54.8
Toilet preparations.....	86.4	35.0	+51.4
Luggage, <sup>3</sup> handbags, wallets, etc.....	58.4	.....	+58.4
Total retailers' excise taxes.....	408.9	162.4	+246.5
Miscellaneous taxes:			
Telephone, telegraph, radio and cable facilities, leased wires, etc.....	158.1	121.2	+36.9
Telephone bill.....	146.7	97.8	+48.9
Transportation of oil by pipe line.....	14.5	14.5	.....
Transportation of persons.....	212.7	141.8	+70.9
Transportation of property.....	170.3	170.3	.....
General admissions.....	327.0	163.5	+163.5
Cabarets, etc.....	110.7	19.4	+91.3
Club dues and initiation fees.....	11.3	6.2	+5.1
Leases of safe-deposit boxes.....	6.5	6.5	.....
Use of motor vehicles and boats.....	115.5	115.5	.....
Coconut and other vegetable oils processed <sup>4</sup> .....	2.0	2.0	.....
Oleomargarine, etc., including special taxes and adulterated butter.....	3.1	3.1	.....
Sugar tax.....	61.0	61.0	.....
Coin-operated amusement and gaming devices.....	12.2	12.2	.....
Bowling alleys and billiard and pool tables.....	28.8	1.8	+27.0
Pari-mutuel wagering.....	29.1	.....	+29.1
All other, including repealed taxes <sup>5</sup> .....	1.2	1.2	.....
Total miscellaneous taxes.....	1,410.7	938.0	+472.7
Total taxes on commodities and services.....	5,104.1	3,993.3	+1,194.8
Total miscellaneous internal revenue.....	6,066.7	4,871.9	+1,194.8

Footnotes at end of table.

*Estimated change in the Budget position of the United States resulting from the revenue bill of 1943 (H. R. 3687), as passed by the House of Representatives Nov. 24, 1943, for a full year of operation at levels of income estimated for the calendar year 1944*<sup>1</sup>—Continued

[In millions of dollars]

	Net yield of tax program in excess of certain increased expenditures resulting from the revenue bill of 1943 <sup>1</sup>	Yield of present law	Increase (+) or decrease (—) over yield of present law <sup>1</sup>
1. Internal revenue—Continued.			
(3) Employment taxes:			
Employment by other than carriers:			
Federal Insurance Contributions Act.....	2,799.0	2,799.0	-----
Federal Unemployment Tax Act.....	207.0	207.0	-----
Total.....	3,006.0	3,006.0	-----
Taxes on carriers and their employees (Ch. 9, subch. B of the Internal Revenue Code).....	262.7	262.7	-----
Total employment taxes.....	3,268.7	3,268.7	-----
Total internal revenue.....	42,032.9	40,144.2	+1,888.7
2. Railroad unemployment insurance contributions.....	12.1	12.1	-----
3. Customs.....	400.0	400.0	-----
4. Miscellaneous receipts <sup>2</sup> .....	739.8	581.0	+158.8
Total yield, general and special accounts.....	43,184.8	41,137.3	+2,047.5

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> The estimates are intended to reflect the net improvement in the Budget position of the United States resulting from the revenue measures contained in the bill. Therefore, the portion of the bill which increases Federal receipts and expenditures to the same extent by terminating certain governmental excise tax exemptions (Title III, sec. 307, of the bill) does not increase the present estimate of the net yield of the bill over present law.

<sup>2</sup> Collections for credit to trust funds are not included.

<sup>3</sup> These estimates are after allowances for drawbacks of \$19.7 millions under the proposal and of \$14.8 millions under present law.

<sup>4</sup> Excludes nonrecurring collection of tax on floor stocks held on Jan. 1, 1944, the effective date of the revenue bill of 1943, in the amount of \$63 millions.

<sup>5</sup> Less than \$0.05 million.

<sup>6</sup> The tax on luggage has been changed from a manufacturers' excise to a retailers' excise tax.

<sup>7</sup> Includes the effects of H. R. 3338, Public Law 180, approved Nov. 4, 1943.

<sup>8</sup> Includes collections from: Taxes on narcotics; taxes under the National Firearms Act; and the tax on hydraulic mining, all of which are effective currently. In addition includes collections from repealed taxes not reinstated by the Revenue Act of 1941 and collections from the following excise taxes repealed by the Revenue Act of 1942: Rubber articles, electric signs, optical equipment, and washing machines.

<sup>9</sup> The increase of postal revenues, estimated at \$183.8 millions, will add to any surplus or reduce any deficit in postal operations that may exist. Only the net surplus, if any, from postal operations will be reflected in miscellaneous receipts. It is assumed that the postal surplus under present law in the calendar year 1944 will be \$3.5 millions, the same as was estimated in the Budget of the U. S. Government for the fiscal year ending June 30, 1944.

*Estimated change in the Budget position of the United States resulting from the revenue bill of 1943 (H. R. 3687), as passed by the House of Representatives Nov. 24, 1943, for a full year of operation at levels of income estimated for the calendar year 1944*<sup>1</sup>

[In millions of dollars]

Increase over present law<sup>2</sup>

Individual income tax: Eliminate the earned-income credit; increase the normal tax rate from 6 percent to 10 percent; deny deduction for Federal excise taxes except as incurred in trade or business; provide a special deduction for blind individuals; alter surtax rates applicable above \$6,000 surtax net income; repeal the Victory tax; provide for a minimum tax of 3 percent of the excess of net income over \$500 for a single person or a married person filing a separate return, \$700 for a head of a family or a married couple filing one return, and \$100 for each dependent; require a married person filing a separate return to take personal exemption of \$500; limit tax to 90 percent of taxpayer's net income.....	226.0
Corporation income and excess-profits taxes: Increase excess-profits tax rate from 90 percent to 95 percent; increase excess-profits tax specific exemption from \$5,000 to \$10,000; reduce excess-profits credit based on invested capital in brackets over \$5,000,000; allow relief under sec. 735 of the Internal Revenue Code to coal and iron properties and timber tracts not in operation during the base period and to natural-gas pipe lines; and limit the scope of the act pertaining to renegotiation of war contracts:	
Total (gross).....	513.8
Less post-war credit.....	45.9
Total corporation (net).....	467.9
Excise taxes.....	1,194.8
Miscellaneous receipts:	
Increase postal rates.....	183.8
Limit the scope of the act pertaining to renegotiation of war contracts.....	-25.0
Total increase.....	2,047.5

<sup>1</sup> The estimates are intended to reflect the net improvement in the Budget position of the United States resulting from the bill. Therefore, the portion of the bill which increases Federal receipts and expenditures to the same extent by terminating certain governmental excise tax exemptions (Title III, sec. 307, of the bill) does not increase the present estimate of the net yield of the bill over present law.

<sup>2</sup> The net Victory tax after post-war credit, rather than the gross Victory tax, is contained in the yield of the present law.

Comparison of excise taxes and postal rates under present law, Treasury proposal, and House bill (H. R. 3687)

## EXCISES

Article or service	Present law	Treasury proposal	House bill	Estimated additional revenue <sup>1</sup> (in millions)	
				Treas- ury pro- posal	House bill
1. Distilled spirits .....	\$6 per gallon (drawback of \$3.75 per gallon on nonbeverage alcohol).	\$10 per gallon (drawback of \$7 per gallon on nonbeverage alcohol).	\$9 per gallon (drawback of \$5 per gallon on nonbeverage alcohol).	<sup>2</sup> \$487.2	<sup>2</sup> \$370.1
2. Beer .....	\$7 per barrel .....	\$10 per barrel .....	\$8 per barrel .....	210.5	70.5
3. Wine:					
(a) Still:					
Under 14 percent alcohol.	10 cents per gallon.	50 cents per gallon.	15 cents per gallon	61.1	20.0
14-21 percent alcohol.	40 cents per gallon.	\$1 per gallon .....	60 cents per gallon		
Over 21 percent alcohol.	\$1 per gallon .....	\$2 per gallon .....	\$2 per gallon .....		
(b) Sparkling .....	10 cents per half pint.	20 cents per half pint.	15 cents per half pint.		
(c) Other .....	5 cents per half pint.	10 cents per half pint.	10 cents per half pint.		
4. Cigarettes:					
(a) Small .....	\$3.50 per M .....	\$5 per M .....	No increase .....	371.3	-----
(b) Large .....	\$8.40 per M .....	\$12 per M .....			
5. Cigars .....	Intended retail price	Tax per M	Intended retail price	Tax per M	
	Over	Not over	Over	Not over	
	Cents	Cents	Cents	Cents	
	21 1/2	21 1/2	3 1/2	3 1/2	
	21 1/2	4	3 1/2	5	
	4	6	5	7	
	6	8	7	9	
	8	15	9	17	
	15	20	17	22	
	20	-----	22	-----	
6. Chewing, smoking tobacco, and snuff.	18 cents per pound	34 cents per pound.	do .....	46.2	-----
7. General admissions, lease of boxes or seats, etc.	1 cent per 10 cents	3 cents per 10 cents.	2 cents per 10 cents.	327.0	163.5
8. Cabarets .....	11 percent of charge.	30 percent of charge.	20 percent of charge.		
9. Club dues and initiation fees.	5 percent of charge.	do .....	30 percent of charge.	93.1	91.3
10. Bowling alleys, billiard parlors.	11 percent of charge.	20 percent of charge.	20 percent of charge.	5.1	5.1
11. Transportation of persons.	\$10 per alley .....	do .....	do .....	27.0	27.0
12. Communications:	\$10 per table .....	\$20 per table .....	\$20 per table .....	212.7	70.9
(a) Toll service .....	10 percent of charge.	25 percent of charge.	15 percent of charge.		
(b) Telegraph, etc.:					
(1) Domestic .....	20 percent of charge.	do .....	25 percent of charge.	31.5	36.9
(2) International.	15 percent of charge.	20 percent of charge.	do .....		
(c) Leased wires, etc. ....	10 percent of charge.	10 percent of charge.	15 percent of charge.		
(d) Wire and equipment services.	15 percent of charge.	20 percent of charge.	20 percent of charge.		
13. Local telephone service.	5 percent of charge.	No increase .....	7 percent of charge.	48.9	48.9
14. Jewelry .....	10 percent of retail price.	15 percent of charge.	15 percent of charge.	167.3	81.9
		30 percent of retail price.	20 percent of retail price (exempts silver-plated flatware).		

Footnotes at end of table.

*Comparison of excise taxes and postal rates under present law, Treasury proposal, and House bill  
(H. R. 3687)—Continued*

**EXCISES—Continued**

Article or service	Present law	Treasury proposal	House bill	Estimated additional revenue <sup>1</sup> (in millions)	
				Treas- ury pro- posal	House bill
15. Fur and fur-trimmed articles.	10 percent of retail price.	25 percent of retail price.	25 percent of retail price.	\$54.8	\$54.8
16. Luggage, handbags, wallets, etc.	10 percent of manufacturers' sales price on luggage only.	do.	do.	53.4	53.4
17. Toilet preparations.	10 percent of retail price.	do.	do.	51.4	51.4
18. Electric-light bulbs and tubes.	5 percent of manufacturers' sales price.	No increase.	25 percent of manufacturers' sales price.		20.0
19. Soft drinks.	None.	Bottled drinks, 1 cent per each 5 cents of intended retail price; the equivalent taxes of \$1 per gallon on sirup and 25 cents per pound on carbonic acid gas used in un-bottled soft drinks.	None.	17.0	
20. Candy and chewing gum.	do.	Articles intended to retail from 5 to 15 cents per bar or package, 1 cent per each 5 cents of intended retail price; other items, the equivalent tax of 35 percent of manufacturers' sales price.	do.	190.0	
21. Pari-mutuel wagering.	do.	None.	5 percent of amount wagered.		29.1
22. Transportation of property.	3 percent of charge (4 cents per short ton on coal).	Repeal.	No change.	-170.3	
Additional revenue from excises.				2,511.1	1,194.8

**POSTAL RATES**

(a) First-class, local.	2 cents per ounce.	No change.	3 cents per ounce.		\$56.6
(b) Air mail.	6 cents per ounce.	do.	8 cents per ounce.		10.4
(c) Third-class.	1 and 1½ cents per 2 ounces.	do.	2 and 3 cents per 2 ounces.		73.8
(d) Fourth-class.	Various.	do.	3 percent of present law rate or 1 cent, whichever is greater.		4.7
(e) Registered mail.	15 cents to \$1 per article.	do.	20 cents to \$1.35 per article.		4.3
(f) Insured mail.	5 to 35 cents per article.	do.	10 to 70 cents per article.	}	12.1
(g) C. O. D. mail.	12 to 45 cents per article.	do.	24 to 90 cents per article.		
(h) Money orders.	6 to 22 cents per article.	do.	10 to 37 cents per article.		21.9
Additional revenue from postal rates.					183.8
Additional revenue from excise taxes and postal rates.				\$2,511.1	1,378.6

<sup>1</sup> Estimated change in budget position of the United States for a full year of operation at levels of income for the calendar year 1944.

<sup>2</sup> Estimated additional net revenue yield after allowance for increased drawback on nonbeverage alcohol of 12.8 million dollars.

<sup>3</sup> Estimated additional net revenue yield after allowance for increased drawback on nonbeverage alcohol of 4.9 million dollars.

## EXHIBIT

*Comparison of surtax rates under present law, the Treasury proposal of Oct. 4, 1943, and 2 alternative schedules<sup>1</sup>*

Surtax net income	Present law	Treasury proposal, Oct. 4, 1943	Treasury alternative proposal A	Treasury alternative proposal B	Surtax net income	Present law	Treasury proposal, Oct. 4, 1943	Treasury alternative proposal A	Treasury alternative proposal B
	Per-cent	Per-cent	Per-cent	Per-cent		Per-cent	Per-cent	Per-cent	Per-cent
Not over \$500.....	13	21	22	24	\$22,000 to \$26,000.....	52	74	64	55
\$500 to \$1,000.....	13	24	25	26	\$26,000 to \$32,000.....	55	77	66	58
\$1,000 to \$1,500.....	13	27	28	28	\$32,000 to \$38,000.....	58	79	68	61
\$1,500 to \$2,000.....	13	30	31	31	\$38,000 to \$44,000.....	61	81	70	64
\$2,000 to \$4,000.....	16	35	36	36	\$44,000 to \$50,000.....	63	83	72	66
\$4,000 to \$6,000.....	20	40	40	40	\$50,000 to \$60,000.....	66	85	74	69
\$6,000 to \$8,000.....	24	45	43	40	\$60,000 to \$70,000.....	69	86	76	72
\$8,000 to \$10,000.....	28	49	46	44	\$70,000 to \$80,000.....	72	87	78	75
\$10,000 to \$12,000.....	32	53	49	44	\$80,000 to \$90,000.....	75	88	80	78
\$12,000 to \$14,000.....	36	57	52	47	\$90,000 to \$100,000.....	77	89	82	81
\$14,000 to \$16,000.....	40	61	55	47	\$100,000 to \$150,000.....	79	90	84	84
\$16,000 to \$18,000.....	43	65	58	50	\$150,000 to \$200,000.....	81	90	86	87
\$18,000 to \$20,000.....	46	68	60	50	Over \$200,000.....	82	90	87	88
\$20,000 to \$22,000.....	49	71	62	53	Normal tax.....	6	6	6	6

<sup>1</sup> Under each of the proposals, the Victory tax and earned-income credit are eliminated and the exemptions are \$500, \$1,100, and \$300.

#### APPENDIX A. SUMMARY COMPARISON OF THE TREASURY PROPOSALS WITH THE HOUSE BILL

It may be helpful to the committee to compare in summary form the major provisions of the Treasury proposals with those of the House bill as background for its consideration of that bill. While the Treasury proposals rely heavily on the individual income tax for additional revenue, the income tax changes in the House bill are designed primarily to integrate the Victory tax with the income tax. Both would repeal the Victory tax and the earned-income credit. The Treasury proposal would effect a small reduction in the credit for dependents and the exemption for married persons; it would increase surtax rates substantially, both to replace the Victory tax and to increase revenues. The House bill imposes a 3 percent minimum tax with lower exemptions than the regular tax; it also increases normal tax rates and adjusts surtax rates, primarily in order to replace the Victory tax burden.

The Treasury recommended increases in corporate surtax rates, but no change in the amount of excess-profits taxes. The House bill does not change surtax rates. It increases the revenue from excess-profits taxes by increasing the rate from 90 to 95 percent and by making changes in the excess-profits credit.

The Treasury recommended an increase in estate and gift tax rates and a reduction in exemptions. The House bill does not change the estate and gift taxes.

In the case of excise taxes, the House bill differs from the Treasury's recommendations in that (1) it does not increase tobacco taxes, (2) it does not tax soft drinks, candy, and chewing gum, (3) its rate increases generally are lower than those recommended, and (4) it retains the tax on transportation of property.

Finally, the House bill provides for increases in postal rates on which the Treasury made no recommendations.

#### APPENDIX B. INTEGRATION OF THE VICTORY TAX WITH THE INCOME TAX UNDER THE HOUSE BILL AND THE TREASURY INTEGRATION PROPOSAL, COMPARED WITH PRESENT LAW

1. Both integration plans, the one contained in the House bill and the Treasury proposal, would repeal the Victory tax and the earned-income credit. The House bill increases the normal tax rate from 6 percent to 10 percent, reduces the surtax rates by 1 percentage point in some brackets and increases them by 1 to 3 percentage points in others. A taxpayer would be required to pay the tax computed on the basis of these changes but not less than a minimum tax of 3 percent on net income in excess of exemptions of \$500 for a single person or a married person filing a separate return, \$700 for a married couple filing a joint return, and \$100 for each dependent. Under the Treasury integration proposal exemptions are reduced from \$500, \$1,200, and \$350 to \$500, \$1,100 and \$300, and the surtax rates are increased by 3 to 7 percentage points.

2. The administration of the income tax would be much easier under the simpler Treasury integration plan than under the House bill. For one thing, there would be a large reduction in the number of returns involving a small amount of tax. Under the present income tax and Victory tax the estimated number of taxpayers for calendar year 1944 is approximately 52.3 million. Under the House bill the number of taxpayers would remain approximately the same as under present law. Because of the filing of joint returns, the number of taxable returns is less than the number of taxpayers. The number of taxable returns would be reduced from 44.1 million under present law to 41.7 million under the House bill. Compared with the 8.2 million joint returns under present law there would be 10.7 million joint returns under the House bill.

Under the simpler integration plan suggested by the Treasury, there would be 43.2 million taxpayers, a reduction of 9.1 million. The total number of taxable returns would be 36.5 million, of which 6.7 million would be joint returns.

3. Married taxpayers would find it much easier to comply with the income tax under the simpler Treasury integration plan than under the House bill, since under the bill the determination of whether a joint return or separate return would be more advantageous may involve numerous complications.

Under present law it is ordinarily to the advantage of a married couple to file separate returns only if their combined surtax net income exceeds \$2,000. If their surtax net income is below that amount, it is ordinarily a matter of indifference to them whether they file separate or joint returns. The House bill, however, makes it advantageous for some such couples to file joint returns and for others to file separate returns. At the same time, however, it makes the determination of whether a joint return or separate returns should be filed, a complex problem for many of these taxpayers. Instead of one breaking point fixed in terms of surtax net income, as under present law, the House bill results in two sets of breaking points. On incomes above the higher breaking point and on incomes below the lower breaking point separate returns are advantageous. In the area between, joint returns are advantageous. Moreover, the breaking points are not fixed. Because no part of the \$500 exemption on a separate return may be shifted between husband and wife, the breaking points vary with the division of income between husband and wife and also with the number of dependents. For individuals filing under supplement T the calculation can be simplified, but for those required to use the regular income tax form, complexities could not be avoided. The breaking points are difficult to compute and would not be known to most taxpayers unless the Treasury undertook to supply a complicated series of tables indicating the zones of advantage under joint and separate returns. A sample of this type of table, relating only to one assumed division of income (50-50) between husband and wife, and only to a married couple with one dependent, follows:

Combined net income:	<i>Type of return resulting in lesser tax</i>
\$800.00 to \$1,070.60	Separate.
\$1,070.60 to \$5,166.67	Joint.
Over \$5,166.67	Separate.

Under the simple integration plan suggested by the Treasury, there is only one breaking point which can be stated in terms of surtax net income for all taxpayers, just as under present law. The accompanying chart relating to a married couple without dependents illustrates the difference in this respect between the Treasury proposal and the House bill.

The complexities with respect to joint or separate returns under the House bill follow from (a) the provision that a married couple filing separate returns shall each be allowed an exemption of \$500 in contrast with the \$1,200 allowed on a joint return under the ordinary income tax, (b) the provision that no part of the personal exemption allowed on a separate return may be transferred from one spouse to another, and (c) the variation between the personal exemption and dependent credit under the minimum tax as compared with the regular tax.

The relationship between the personal exemptions and dependent credits under the minimum tax and the regular tax may result in much confusion. For example, a husband and wife having two dependents may file separate returns each claiming one dependent. Under the House bill one spouse may have an exemption of \$100 for each dependent and be subject to a 3 percent tax rate, while the other spouse may have an exemption of \$350 for the other dependent and be subject to a 23 percent tax rate.

4. A further complication for many taxpayers introduced by the House bill is the necessity, if separate returns are filed, to allocate the dependent exemption in such a manner as to reduce the tax liability to a minimum. Many computations may be needed by taxpayers with several dependents to find the procedure



that will result in the least tax for a couple. It is true that in many cases it would be possible for information to be provided to guide married couples to the expeditious determination of their tax liability under either the minimum tax or the regular tax. Nonetheless, the problem of complying with the income tax law will be much more complicated for many couples with low incomes under the House bill than under the present law or under the Treasury integration plan. Many couples with low incomes in the area where it is now a matter of indifference whether they filed joint or separate returns or how they divided the dependent credit would, under the House bill, need to make numerous computations before reaching the most advantageous tax result. For example, a married couple with an aggregate net income of \$2,125 and with three dependents could, depending upon the procedure that happened to be selected, reach 10 different tax results (5 using form 1040 and 5 using form 1040A) after making 18 different computations of tax liability for the husband and the wife before ascertaining the least combined tax liability. (See illustration.) Under the Treasury integration plan and under the present law the multiplicity of computations is not necessary.

5. Another difficulty under the House bill is that some taxpayers who may now file a simplified return would be precluded from doing so. Under the regular income tax, the exemptions which would be allowed on separate returns are lower than those on a joint return. Many married couples with a combined gross income of more than \$3,000, wishing to file a joint return to take advantage of the higher exemptions, will therefore not be able to file a simplified form, since form 1040A is limited to a return with a gross income of \$3,000 or less.

6. It is clear that the House bill would make the income tax more complicated and would impose greater administrative burdens than the Treasury integration plan. The repeal of the Victory tax is an important step toward simplification but under the House bill this is offset to a large extent by other complications introduced by the bill, which would not exist under the Treasury plan.

7. The House bill would exempt only about 130,000 taxpayers who now pay a net Victory tax of about \$600,000. Including these taxpayers, a total of approximately 26,000,000 taxpayers would obtain a reduction in tax of 370.3 million dollars. On the other hand, another 26,000,000 taxpayers would pay an increase in tax aggregating 459.2 million dollars.

The Treasury plan would exempt 9.1 million taxpayers who now pay a net Victory tax of 274.9 million dollars. Including these, there would be 18,000,000 taxpayers with a total reduction in tax of 435.9 million dollars. The Treasury plan would increase the liability of approximately 34,000,000 taxpayers by 711.3 million dollars.

The following table shows the number of taxpayers and the amount of tax increase or tax decrease and the net change, by net income classes under the House bill and the Treasury integration plan:

## REDUCED TAXES

Net income class (in thousands)	House bill		Treasury integration plan	
	Number of taxpayers (millions)	Amount (millions)	Number of taxpayers (millions)	Amount (millions)
\$0 to \$3.....	23.0	—\$342.3	15.7	—\$357.2
\$3 to \$5.....	2.7	—24.5	1.8	—27.9
Over \$5.....	.3	—3.5	.5	—50.7
Total.....	26.0	—370.3	18.0	—435.9

## INCREASED TAXES

\$0 to \$3.....	20.3	189.6	27.5	406.0
\$3 to \$5.....	4.1	52.7	5.0	99.0
Over \$5.....	2.1	217.1	1.9	206.3
Total.....	26.4	459.2	34.4	711.3

## NET CHANGE

\$0 to \$3.....	2.7	—152.7	11.8	48.8
\$3 to \$5.....	1.1	28.2	3.2	71.1
Over \$5.....	1.7	213.6	1.4	155.6

NOTE.—Due to rounding the sum of the individual items may not add to totals.

*Illustration.—Possible computations on Form 1040 under the House bill, for a married couple with three dependents, to determine the smallest tax liability where the husband has \$1,250 net income and the wife has \$875 net income*

	Net income	Regular personal exemption and credit for dependents	Income subject to regular rates	Regular tax	Personal exemption and credit for dependents for purpose of minimum tax	Income subject to minimum tax	Minimum tax	Tax liability (the larger of column 4 or 7 for each numbered line)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>JOINT RETURN</b>								
(1) Husband and wife.....	\$2,125	\$2,250	None	None	\$1,000	\$1,125	\$33.75	\$33.75
<b>SEPARATE RETURNS</b>								
Husband claiming credit for 3 dependents, wife claiming credit for no dependents:								
(2) Husband.....	1,250	1,550	None	None	800	450	13.50	13.50
(3) Wife.....	875	500	\$375	\$86.25	500	375	11.25	86.25
Total.....	2,125	2,050	375	86.25	1,300	825	24.75	99.75
Husband claiming credit for 2 dependents, wife claiming credit for 1 dependent:								
(4) Husband.....	1,250	1,200	50	11.50	700	550	16.50	16.50
(5) Wife.....	875	850	25	5.75	600	275	8.25	8.25
Total.....	2,125	2,050	75	17.25	1,300	825	24.75	24.75
Husband claiming credit for 1 dependent, wife claiming credit for 2 dependents:								
(6) Husband.....	1,250	850	400	92.00	600	650	19.50	92.00
(7) Wife.....	875	1,200	None	None	700	175	5.25	5.25
Total.....	2,125	2,050	400	92.00	1,300	825	24.75	97.25
Husband claiming credit for no dependents, wife claiming credit for 3 dependents:								
(8) Husband.....	1,250	500	750	172.50	500	750	22.50	172.50
(9) Wife.....	875	1,550	None	None	800	75	2.25	2.25
Total.....	2,125	2,050	750	172.50	1,300	825	24.75	174.75

#### APPENDIX C. POSSIBLE REVISIONS IN THE 80 PERCENT LIMITATION TO EFFECT A MORE SATISFACTORY GRADUATION IN EFFECTIVE RATES

The Revenue Act of 1942 provided for a limitation on the excess-profits tax so that in combination with the normal tax and surtax it will not exceed 80 percent of surtax net income. This limitation was imposed on gross taxes before deducting the post-war refund of 10 percent of excess-profits taxes as limited.

The excess-profits tax as limited is computed by taking 80 percent of surtax net income and subtracting normal taxes and surtaxes from this figure. The balance is termed excess-profits taxes and is used in computing the post-war refund of 10 percent of excess-profits taxes.

Thus on a given level of income subject to the 80 percent limitation effective tax rates after the post-war refund decrease as the percentage of that income represented by taxable excess profits increases. Since normal profits (normal-tax net income) are determined by subtracting taxable excess profits from total income, an increase in taxable excess profits reduces taxable normal profits. A reduction in normal profits, and, therefore, a reduction in normal taxes and surtaxes, increases the portion of total tax liabilities (80 percent of surtax net income which remains unchanged) called excess-profits taxes and increases the post-war credit. Although gross taxes remain at 80 percent of income, net taxes after the post-war refund are thus reduced.

Therefore, increases in the excess-profits tax base will reduce taxes on corporations subject to the 80 percent limitation, and increases in the excess-profits tax rate will leave them unaffected. Only increases in the normal tax or surtax rate,

by reducing their post-war refunds, can increase the over-all tax burden on these corporations without a change in the limitation.

Under a 95 percent excess-profits tax, or 85½ percent after deducting the post-war refund, a still greater limitation in the excess-profits tax results. In order that an increase in excess-profits taxes will apply to those corporations earning the largest excess profits, and in order that a smoother graduation in effective tax rates may be provided as taxable excess profits represent a larger and larger percentage of total income. Three possible revisions could be made in the 80 percent limitation.

Revision A would substitute an 85 percent excess-profits tax with no post-war refund for the 95 percent excess-profits tax and 10 percent post-war refund in the House bill. The 80 percent limitation would remain in effect.

Revision B would leave the 80 percent limitation as applied to gross taxes but taxes after the post-war refund would be determined as if there were no 80 percent limit.<sup>1</sup> This would have the effect, in most instances, of charging the reduction in taxes resulting from the 80 percent limitation against the taxpayer's post-war refund, rather than against gross taxes.

Revision C would raise the present limit of 80 percent to 85 percent, but would not change the basic structure of the limitation.

The effective tax rates which would result from these changes are presented in table a, both before and after the post-war refund, if any. In chart I (omitted here) the effective tax rates after the post-war refund are shown.

TABLE a.—Effective tax rates on corporation income as the proportion of taxable excess profits varies, under present law, H. R. 3687, and suggested revisions in the 80 percent limitation

Taxable excess profits as a percent of taxable income	Total taxes as a percent of income under—									
	Present law		H. R. 3687		Revision A		Revision B		Revision C	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
0.....	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
10.....	45.0	44.1	45.5	44.6	44.5	44.5	45.5	44.6	45.5	44.6
20.....	50.0	48.2	51.0	49.1	49.0	49.0	51.0	49.1	51.0	49.1
30.....	55.0	52.3	56.5	53.7	53.5	53.5	56.5	53.7	56.5	53.7
40.....	60.0	56.4	62.0	58.2	58.0	58.0	62.0	58.2	62.0	58.2
50.....	65.0	60.5	67.5	62.8	62.5	62.5	67.5	62.8	67.5	62.8
60.....	70.0	64.6	73.0	67.3	67.0	67.0	73.0	67.3	73.0	67.3
70.....	75.0	68.7	78.5	71.9	71.5	71.5	78.5	71.9	78.5	71.9
80.....	80.0	72.8	80.0	72.8	76.0	76.0	80.0	76.4	84.0	76.4
90.....	80.0	72.4	80.0	72.4	80.0	80.0	80.0	80.0	85.0	76.9
100.....	80.0	72.0	80.0	72.0	80.0	80.0	80.0	80.0	85.0	76.5

NOTE.—Gross and net refer to taxes before and after the post-war refund, respectively. The capital stock and declared-value excess-profits taxes are not included in this computation. Normal-tax and surtax net income are assumed equal and greater than \$50,000.

#### APPENDIX D. ADDITIONAL TAX RELIEF FOR CORPORATIONS ENGAGED IN THE MINING OF CERTAIN STRATEGIC MINERALS

The Treasury recognizes the importance of encouraging the discovery and development of mines capable of yielding minerals of high strategic value in the production of war materials. In those cases where the exemption from excess-profits taxation and the allowance of more liberal depletion allowances will increase the output of these strategic minerals, the Treasury believes that such additional tax relief measures are proper. However, the Treasury believes it undesirable to extend relief to minerals which, in the opinion of the War Production Board, cannot be designated as strategic minerals. Tax relief should not be permitted to become tax avoidance.

A year ago the Treasury, after consultation with officials of the War Production Board, recommended that the income from the production of 11 strategic minerals be exempt from excess-profits taxes. The addition of fluor-spar, and flake graphite, to this list of minerals is proper; both of these minerals are of strategic importance. However, we see no possible reason for the inclusion of vermiculite among these strategic minerals. Although this mineral has some uses in connection with war production, it is the opinion of officials in the War Production Board that the present supply is more than adequate. The bulk of this mineral is used for building insulation in competition with rock wool and asbestos, products which no one would presume to say were of strategic importance.

<sup>1</sup> However, in no case would total taxes after the post-war refund exceed 80 percent of surtax net income.

The Treasury's position with respect to the extension of percentage depletion to strategic minerals as a wartime measure is the same as that with respect to the exemption of these minerals from excess-profits taxes. If, but only if, the allowance of percentage depletion for the duration of hostilities will contribute to the war effort, the Treasury recognizes the advantages of such allowances despite our firm conviction that the percentage depletion provisions in the present law have, in general, enabled many individual and corporate taxpayers to avoid their fair share of the Nation's tax burden. Generally, our position with respect to percentage depletion is the same as was expressed in hearings on the 1942 revenue bill.<sup>1</sup>

However, on the basis of the representations of the War Production Board that percentage depletion for these metals for the duration of the war will contribute to the war effort, we concur in the action taken in the House bill in granting percentage depletion to fluorspar, flake graphite, sheet mica, and beryl.

On the other hand, the Treasury does not believe that the extension of percentage depletion to vermiculite, feldspar, lepidolite, spodumene, and potash can be justified even as a war measure. Although these minerals are used to a greater or lesser extent in war production, we have been informed by the War Production Board that the current output of all of them is adequate to meet present wartime requirements. Consequently, these minerals stand in no different position from all the other minerals which have important wartime uses but with respect to which no critical supply situation exists. It should be noted that most of the potash reserves in this country are found on public lands. The largest known deposits are found on Federal land where production is controlled by the Department of the Interior.

#### APPENDIX E. SPECIAL EXCESS-PROFITS TAX TREATMENT WITH RESPECT TO THE ACCELERATED OUTPUT OF CERTAIN NATURAL RESOURCES

##### A. THE EXTENSION OF THE COAL AND IRON RULE OF SECTION 735 TO THE NATURAL GAS INDUSTRY

The House bill provides special excess-profits tax treatment for natural gas companies with respect to income from the production, storage, and transportation by pipe lines of natural gas. The treatment given would be the same as that now granted under section 735 (b) (2) with respect to income from coal and iron mines.

The Treasury recognizes that natural gas is a depletable resource, the production of which has greatly increased since the beginning of the war. It would not be opposed to the amendment of section 735 to include producers of natural gas. However, the natural gas companies which will benefit most under the provisions of the House bill are primarily engaged in the operation of pipe lines. Some of these companies produce no natural gas, and all of them buy a substantial percentage of the gas carried in their pipe lines. The Treasury believes it would be undesirable to extend the relief now afforded to depletable resource industries to these companies.

Our reasons are twofold. First, from an examination of the tax returns of a number of the representative companies in this industry it appears that the industry, as a whole, is now earning as much per unit of output after excess-profits taxes but before corporation income taxes as it earned during the base period years. It is our belief that the excess-profits tax cannot be said to be injuring an industry, if this tax allows the industry to retain its normal unit profits.

Second, we believe that the problem faced by the natural gas industry as a result of accelerated output is primarily a depreciation rather than a depletion problem. The relief given in the House bill does not appear to provide an appropriate remedy for the wartime problems of this industry. The Treasury is of the opinion that the position of the natural gas industry is not so unique with respect to accelerated depreciation that it should be relieved of the wartime taxes which Congress has imposed upon industry as a whole.

##### B. EXTENSION OF THE COAL AND IRON RULE IN SECTION 735 TO NEW PROPERTIES AND TO CORPORATE LESSORS

The House bill extends the treatment accorded by section 735 to operators of coal and iron mines and of lumber tracts in two respects: (1) Corporate lessors

<sup>1</sup> See Secretary Morgenthau's statement, p. 8, and testimony of Randolph Paul, pp. 84, 2988, 3438, hearings before Ways and Means Committee, 77th Cong., 2d sess.

are given the same treatment as operators; and (2) new mines and timber properties are allowed to treat one-third of their output as excess output.

Last year, when the revenue bill of 1942 was being considered by your committee, the Treasury pointed out the undesirability of the special formula which was made applicable to producers of coal, iron, and timber. We believed then, as we believe today, that a measure which distributes tax relief without regard to need not only deprives the Government of much needed revenues, but also results in an inequitable distribution of the wartime tax burden among business enterprises.

However, if the coal, iron, and timber rule is to be retained in section 735, the amendments introduced in the House bill are appropriate. In the case of coal mines and timber blocks, the distinction between new and old properties appears to be a tenuous one which has resulted in some inequities. As to the other amendment, corporate lessors of coal, iron, and timber properties should be entitled to the same relief now granted by the law to the operators of such properties.

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## APPENDIX F. EXCISE TAXES

### A. GENERAL BASIS FOR RECOMMENDATIONS

We have recommended that an additional  $2\frac{1}{2}$  billion dollars be raised through increases in the rates and changes in the basis of several existing excise taxes and through enacting two new excises. In addition, it is recommended that the tax on the transportation of property be repealed. The specific items selected for heavier taxation, as well as the level of the proposed rates, were determined after detailed analyses had been made of the demand and supply conditions in the different industries, and after consideration had been given to the manner in which producers and consumers would be affected. Moreover the Treasury recommendations on excises are part of a balanced tax program.

Substantial wartime increases in our excise taxes on consumer goods and services are justified on several grounds. The additional administrative costs would be relatively small for the Government, as would the taxpayers' costs of compliance. There is every reason to believe that few, if any, of the business concerns affected would be unduly burdened, since the higher levies generally could be shifted to consumers with little difficulty. Wartime supply shortages are troublesome for many industries, to be sure, but these very shortages, coupled with the high level of consumer income, create a market situation extremely favorable to forward shifting of excise taxes.

Similarly, there is every reason to believe that the higher taxes would not cause hardship for consumers. The prices of only a relatively few nonbasic commodities and services would be affected. Consumers in a difficult economic situation would be given a real choice between paying the higher taxes and decreasing their purchases of these nonessentials and thereby relieving themselves of part or all of the taxes.

While formulating the Treasury's excise program, we made comparisons with a sales tax proposal designed to yield an equivalent amount of revenue. To raise  $2\frac{1}{2}$  billion dollars by means of a sales tax would require about a 4 percent rate on all retail sales, on basic living needs as well as on nonessentials and luxuries. If food sales were exempted, the required rate would be more than 6 percent, and if the exemption were extended to cover also medicines and clothing, the required rate would be over 9 percent.

There are at least three fundamental reasons why the selective excise method is to be preferred. First, the added administrative and compliance effort would be only a small fraction of what would be entailed by a retail sales tax. There would be no substantial enlargement of Bureau of Internal Revenue staff. Few new administrative procedures would have to be established, and the added number of taxpayers would be far less than the  $2\frac{1}{2}$  million firms that would be covered by a retail sales tax.

Second, the lower income groups would not be forced to reduce their consumption of the necessities of life as they inevitably would under a sales tax. A retail sales tax, applying to the bulk of consumer purchases, does not give these groups any real choice between paying the tax and escaping it by cutting their taxable purchases. Higher prices for the things they buy, whether induced by a sales tax or any other cause, simply mean that many low-income consumers must exist at a still lower living standard.

Third, under the excise method, we would be certain that a net gain, rather than a loss, would be achieved on the anti-inflation front. The excise tax proposals would not affect the farm parity index, while a general retail sales tax designed to raise the same amount of revenue would increase the index by more than 2 percent. The excise proposals would increase the cost-of-living index by about 1 percent, while an equivalent sales tax would raise it by almost 3 percent. These increases would occur at a time when vigorous action is being taken along many fronts to keep living costs down. The net effect on business costs would be minor under the excise method, particularly if the recommended repeal of the tax on transportation of property is accepted. Under the sales tax method, price ceiling adjustments to compensate for the sales tax on various business-cost items would be unavoidable. From the standpoint of the effects on the parity index, the cost-of-living index, and on business costs, therefore, the excise method offers significant advantages. There would be no risk of upsetting the Government's wartime stabilization program, particularly because the costs of basic necessities would not be affected.

#### B. GENERAL COMPARISON OF TREASURY RECOMMENDATIONS AND THE HOUSE ACTION ON EXCISE TAXES AND POSTAL RATES

The Treasury's excise tax proposals to the Committee on Ways and Means were designed to raise an additional 2½ billion dollars of revenue. The excise tax changes embodied in the House bill are estimated to raise an additional 1.2 billion dollars of revenue. The bill also provides for higher postal rates estimated to produce an increase of 184 million dollars in postal revenues.

In most cases the items selected for heavier taxation in the House bill are the same as those in the Treasury's recommendations. Some of the rate increases in the House bill, however, are not as great as those suggested by the Treasury. As a result the House bill would raise an additional 1.1 billion dollars from items included in the Treasury's proposals, whereas the Treasury suggested raising about 1.8 billion dollars from these same sources.

Excise tax changes included in the House bill, but not in the Treasury's proposals, are the increases in rates on electric light bulbs, international telegraph messages, and wire equipment services, and the new excise on pari-mutuel betting. The additional revenue from these changes is estimated to be about 51 million dollars.

The Treasury also proposed to raise an additional 852 million dollars from rate increases in the tobacco taxes and from new taxes on soft drinks and candy and chewing gum. None of these proposals is included in the House bill.

Finally, the House bill does not provide for repeal of the tax on transportation of property.

#### C. ANALYSIS OF EXCISE TAX PROVISIONS IN HOUSE BILL

The magnitude of our war finance requirements and the need for absorbing excess consumer spending power to the greatest extent possible demand that every effort be made to reach the 2½ billion dollars excise tax goal recommended by the Treasury. The provisions in the House bill would go only about half the way toward meeting the Treasury's goal. There are two principal reasons for this difference.

The first reason is that the recommended increases in tobacco taxes and the proposals for taxing soft drinks and candy and chewing gum were not adopted in the House. These recommendations would raise \$852,000,000. Failure to provide for wartime increases in the tobacco taxes cannot be justified on the basis of the prevailing demand and supply conditions in the industries involved. The proposed tax increases could be passed forward to consumers without burdening tobacco growers, manufacturers or distributors. From the standpoint of the probable effects on consumers and the industries, there are just as good reasons for obtaining additional revenue from the tobacco taxes as from the other excise taxes included in the House bill.

Taxing soft drinks and candy and chewing gum, as recommended by the Treasury, would raise \$367,000,000. The supplies of these items are appreciably below the wartime demands of consumers and, consequently, the proposed taxes could be shifted forward to consumers without reducing the total volume of sales. While vending machine operators probably could not find a satisfactory method of shifting the taxes on these products, it is believed that they generally could continue to operate profitably by distributing nontaxable products such as nuts, raisins, cookies, and nonaerated soft drinks.

The second reason why the House bill does not meet the Treasury's 2½ billion dollars excise tax goal is that it includes rate increases below the levels recommended by the Treasury for the taxes on distilled spirits, fermented malt liquors, wines, general admissions, transportation of persons, and jewelry. The higher rates proposed by the Treasury would raise 689 million dollars more than those in the House bill. The Treasury again recommends the wartime increase originally proposed for these taxes. These increases are fully warranted in view of the great wartime increases in demand for these articles and services and the prevailing scarcities in their supply.

A further difference between the House bill and the Treasury's excise proposals is the failure to repeal the tax on transportation of property which was enacted last year. This tax is undesirable, since it disturbs existing price and competitive relationships and results in discrimination among competing producers. It conflicts with the Government's efforts to stabilize prices and the advantages which would follow its repeal would more than offset the \$170,000,000 decrease in revenue.

Finally, special problems are raised by the excise tax provisions in the House bill. The first relates to the amount of tax increase on fermented malt liquors. An increase of \$1 per barrel as provided in the House bill would represent 0.2 cent per 8-ounce glass and 0.3 cent per 12-ounce bottle. If distributors were permitted to increase their unit selling prices by a full cent they would gain larger profits because of the tax and the Treasury would not get the full benefit of the higher consumer outlays. On the other hand, if price increases were not permitted, distributors would be compelled to absorb part of the higher tax. A \$3 per barrel tax increase as originally recommended by the Treasury would more nearly approximate full cent price increases on customary units of sale.

The Federal Communications Commission has indicated the desirability of maintaining the present 10 percent rate on international cable and radio-telegraph messages in order to facilitate its efforts in promoting international communications. The Commission has also indicated the desirability of continuing the existing tax differential between the taxes on telephone toll message charges and domestic telegraph charges. The House bill proposes to tax these two services at 25 percent rates. It should also be noted that because of competitive relationships existing between domestic telegraph messages and leased wire services, the taxes on these two types of services should preferably be at the same level. The House bill provides for a 25 percent tax on domestic telegraph messages and a 20 percent tax on leased wire, teletypewriter, and talking circuit special services.

Another consideration involves the retailers' excise taxes. At the present time these are levied at 10 percent rates. The House bill follows the Treasury's proposals in providing for 25 percent rates on fur and fur-trimmed articles, toilet preparations, and luggage and related goods. With respect to the jewelry excise, however, the bill provides for a 20 percent rate, compared to the 30 percent rate recommended by the Treasury. In the light of the optional character of the bulk of the items covered by the jewelry tax, the unprecedentedly high demand for these items, and the limited supplies that are available, the Treasury believes that the jewelry tax should be at least as high as the other retailers' excises.

#### D. TERMINATION OF CERTAIN GOVERNMENTAL EXCISE TAX EXEMPTIONS

Section 307 of the House bill provides for the termination of numerous excise tax exemptions on sales of goods and services to the Federal Government as requested by the President in a letter dated August 11, 1943, to the chairman of the Committee on Ways and Means. The chief taxes affected are the manufacturers' and retailers' excise taxes, the taxes on the transportation of persons and property, and those upon charges for the use of communication facilities. It is believed that this amendment would achieve considerable savings in the manpower now used by the Federal Government and private business to administer these exemptions.

The exemption provisions required the determination of the questions whether sales are made to governmental agencies and whether the articles or services are for the exclusive use of these agencies. Because of the numerous types of contracts under which sales are made to the Government and the greatly expanded scope of its activities, considerable work is required to establish proof of the conditions upon which the exemptions depend. The services of employees taking care of these details could be better utilized in other activities. Repeal of the exemption privileges also may well increase the net revenues of the Federal

Government because it is believed that the present system results in considerable loss of revenue through carelessness, errors, and possible fraud. The tremendous volume of paper work involved makes it impossible for the personnel now available to check adequately transactions for which tax exemptions are requested.

### Exhibit 49

*Statement of Randolph E. Paul, General Counsel for the Treasury Department, before the House Ways and Means Committee, September 10, 1943, relative to the revenue implications of changes in the renegotiation statute.*

I appreciate the opportunity which this committee has extended to me to present the Treasury views on the role and operation of renegotiation in the wartime economy. Inasmuch as the quantitative burden of renegotiation rests principally with the major procurement agencies, I shall not undertake to discuss the actual procedures and mechanisms involved in the process of renegotiation. With the permission of the committee I shall confine my statement to a discussion, from the standpoint of revenue implications, of certain suggested changes in that philosophy and structure.

From the standpoint of tax policy, a question of particular significance is whether renegotiation should be before or after Federal income and excess-profits taxes. There was much discussion of this point in the recent hearings before the Naval Affairs Committee, but no unanimity developed among industrialists. For example, the president and the vice president of one of the largest corporations in America have presented squarely contradictory opinions on this question. On the other hand, there is unanimity of view among the procurement agencies that renegotiation should be before taxes. Because of this division of opinion among industrialists, and because of the quantity of discussion of the point, I would like to present to the committee the position of the Treasury.

If more than a general analysis is to be made of the proposal that renegotiation should be after taxes it will be necessary to define the proposal in somewhat more precise terms. "Renegotiation after taxes" is not a meaningful phrase until it has been translated into the application of specific methods to specific cases. Particularity of this sort has been noticeably absent from much of the previous discussion by the advocates of renegotiation after taxes. In my discussion I shall assume the proposal contemplates that Federal taxes would be allowed as items of cost on an equal footing with such items as wages, raw materials, and overhead.

The view that the fixing of reasonable prices in procurement should operate without taking taxes into account was one of the oases of certainty in World War I procurement. Even under the cost-plus-percentage-of-cost contract of that era Federal taxes were excluded, either specifically or by ruling, from the itemization of the costs by which the contractor's fee was to be measured. In a case in which a cost-plus-10-percent contract included such taxes as an item of cost, the Acting Secretary of the Navy, in a ruling of January 24, 1918, addressed to the compensation board, said:

"The mandate of the statute is that the income, corporation, and excess-profits taxes shall be levied, assessed, collected, and paid; and that certain manufacturers shall pay the munitions tax.

"To construe the contract clauses submitted by the compensation board as including the payment of these taxes as a part of the cost in the cost-plus-profits contracts would ascribe to the Secretary an intention to remit taxes which the statute commands the contractor to pay.

"As a contract must, if possible, be construed to effect a lawful purpose, these contracts are not to be construed to exempt contractors from the payment of these taxes by including them as a part of the costs to be paid by the department."

In the present war, as in the last war, contract prices are established in accordance with ordinary commercial practice. This means that they are established without regard to the amount of taxes on profits earned under the contracts. Presumably, no one would seriously propose that the Government procurement officers should wipe out the Federal taxes on war contractors by including an allowance for such taxes in prices paid for war matériel. Yet, as the preceding witnesses have pointed out, exactly that result would follow if in renegotiation taxes were allowed as an item of cost.

Stated in other words, if the Government were to renegotiate after an allowance for income and excess-profits taxes, it would itself be paying the wartime tax levy ostensibly imposed on the war-matériel producer. It is self-evident that



the buyer should not have to pay the seller's share of the Government's revenue needs. How much more anomalous would it be for the tax-imposing authority itself, in its capacity as consumer, to pay the very taxes which it has levied upon the war-matériel producers as their fair share of the cost of the war?

Not only does renegotiation after taxes carry these harmful implications from the procurement standpoint, but it would also encroach directly upon the tax field. It would become a tax measure, and an unscientific and uncoordinated tax measure at that. In 1940, when the excess-profits tax was adopted, Congress decided to allow corporations either a return equivalent to the amount of pre-war earnings or a reasonable return on invested capital, at their option, before subjecting wartime earnings to the excess-profits tax. This established congressional policy would be nullified if renegotiation were changed to an after-tax basis. A corporation with a high excess-profits tax base or credit would pay less excess-profits tax than a corporation with a low base, but would pay more on renegotiation. The effect would be to equalize the position of all companies. No attention would be given to the question whether their profits were swollen war profits or were merely reasonable returns as compared with pre-war earnings or invested capital. The effect would also be to vitiate the relief provisions so carefully conceived by this committee and the Senate Finance Committee in enacting the 1942 act, such as section 722 and the carry-back of unused excess-profits tax credit and net operating loss. In other words, the benefits which the tax laws extend through the relief provisions would be curtailed, if not eliminated, by the dollar-for-dollar recapture on renegotiation after taxes. A reduction in taxes under the relief provisions would increase the amount to be returned upon renegotiation. Our wartime corporation tax structure would be thrown into the discard by the operation of a price adjustment mechanism distorted into an arbitrary revenue juggernaut.

Renegotiation before taxes determines the amount, if any, of excessive prices. As a procurement device it very properly does not have any concern with the tax law concept of excess profits. After procurement, including renegotiation, has first established reasonable prices, the tax law then functions on the seller's income in accordance with the specific rules laid down by the Congress for measuring the proper distribution of the tax burden. In renegotiation after taxes, however, the tax law would operate before the price had even been fixed, and renegotiation would then operate as an administratively imposed supertax, without regard to the pattern of excess-profits credit, relief provisions, or revenue rates. The outcome would be to throw all war producers together and to extract the same amount of money proportionately from each of them, either by renegotiation or taxation, without regard to the amount of excess profits, and without regard to relative efficiency and reasonableness of price. The corporation with the higher excess-profits tax base and lower excess-profits tax would pay more on renegotiation than the company with the lower base and higher tax, regardless of procurement policies and regardless of the policies of the tax laws. I do not believe that renegotiation would have been adopted if it had been regarded as an additional, indiscriminate tax measure. As I have said many times to this committee, the imposition of taxes is a congressional, not an administrative, function.

Renegotiation will have served its purpose when it has helped to establish reasonable prices for war materials, future as well as past. Once that objective is reached renegotiation will no longer be necessary. Under renegotiation after taxes, however, the kind of recapture involved would fall wide of establishing reasonable forward prices. Therefore, renegotiation would never be terminated, because each past period of a contractor's operations would require reexamination.

This leads to a basic question which has been noticeably neglected in previous discussions. It is not clear, when some speak of renegotiation after taxes, whether they mean renegotiation after the final determination of tax liability or after the tentatively determined tax liability at the time of the conclusion of renegotiation.

Assuming the first meaning, renegotiation would either have to be postponed until (1) final determination of the tax liability or (2) it would involve a very tentative closing, subject to reopening on final determination of the tax. If renegotiation were to be postponed until after claims for excess-profits tax relief had finally been decided, either by administrative action or litigation, or until the effect of the carry-back of the unused excess-profits tax credit and the net operating loss were determined, it would become a meaningless procedure for pricing. Forward-pricing, which is one of the most essential objectives of renegotiation, would be scrapped.

If, on the other hand, renegotiation were to proceed to a tentative closing, subject to reopening on final determination of the tax, the situation would be no

happier. Assume that a company makes large excess profits in 1942, pays taxes thereon, and after renegotiation, agrees to and makes a refund of a portion of the remaining profits. In 1944 it suffers a loss which it carries back against its 1942 excess profits, thereby becoming entitled to a tax refund for 1942. The Government should then be entitled to reopen the 1942 renegotiation agreement. The result would not only be that the carry-back provision would be seriously frustrated; but, from the standpoint of certainty, no one could possibly know whether or when a renegotiation agreement would become conclusive. This situation would contemplate retaining the services of price-adjustment boards indefinitely.

The same condition, in more aggravated form, would prevail if a company should file and litigate a claim for general relief which might not culminate in a tax refund until many years later. The prospect of further renegotiation at the time the refund is ultimately received is not a happy one. Yet this would be the inevitable result.

Assume, on the other hand, that after completion of renegotiation on the basis of profits after taxes, a normal tax or excess-profits tax deficiency is determined against the company. It is not known whether the suggestion of renegotiation after taxes contemplates that the amount of the deficiency would be retroactively applied to reduce the renegotiation refund already paid by the contractor. In order to accomplish that result it is clear that the renegotiation agreement would have to be subject to reopening on behalf of the company. A renegotiation agreement, which may at any time in the future be reopened by either party, is hardly an effective aid to economical war procurement.

If, however, the proponents of renegotiation after taxes mean the tentatively determined tax liabilities at the time of the conclusion of renegotiation, the situation becomes even more unsatisfactory. The contractor would then have every incentive to overstate its tax liability by postponing applications for excess-profits tax relief or other bases of refund. It is clear that any future reduction in taxes, whether the taxes have affirmatively been overstated or not, and irrespective of the reason or occasion therefor, would mean a real windfall to the contractor. Here again, unless under this proposal the contractor would waive in renegotiation any rights to relief or other bases of refund and accept the tentatively determined tax liability as final, renegotiation would fail to result in reasonable, fair prices. On the other hand, if there should be such a waiver, the purpose of the relief provision under the excess-profits tax and other provisions of the revenue laws would be defeated.

#### RESERVES

I shall touch briefly now upon another suggestion which overlaps the tax field. This suggestion is that upon renegotiation an allowance be made for post-war reconversion and allied contingencies. The question of the allowance of reserves for post-war contingencies is extraordinarily complex and its implications reach deeply into the tax and commercial fields. I think it is particularly fortunate that the committee has so timed its hearings on renegotiation and revenue revision that it will explore these implications both from the procurement and the tax standpoints before it decides upon the appropriate disposition of this perplexing question.

Whether post-war reserves constitute a matter germane to the procurement mechanism of renegotiation I prefer leaving to the judgment of the major procurement agencies. There is no doubt, however, that revenue techniques and policies are deeply involved in the question. To canalize the consideration of reserve allowances into the field of procurement, without regard to its vital tax implications, would be to attack the problem piecemeal. Under the present revenue laws whatever reserve allowances are made on renegotiation will leave the contractor with more income subject to tax. Therefore, the effectiveness of the renegotiation allowance must be viewed from the standpoint of the accompanying tax load. Furthermore, the question of allowing post-war reserves on renegotiation must be examined in the light of the provision which Congress has already made in the tax laws for post-war cost allowances. These allowances in the tax laws are embodied in the loss carry-back and unused excess-profits credit carry-back sections. Finally, the allowance of post-war reserves on renegotiation would not solve the problem from the standpoint of firms which are not engaged in war work and war contractors who are not subject to renegotiation. I believe that an effective consideration of the post-war reserve problem requires the more logical setting of the comprehensive revenue revision study which this committee will shortly begin.

The Treasury has been engaged in an analysis of the problem of allowing these reserves for tax purposes. In this study we have had the cooperation of other

Government agencies, representatives of industry, and various interested professional groups. The conclusions of this study will be presented to your Committee at the hearings on revenue revision. A brief statement on some of the general problems we have encountered may be helpful.

There can be no quarrel in principle with the proposition that wartime revenues should be charged with the actual costs of earning that revenue, even if some of these costs are not incurred until the post-war period. As I have stated, the Congress has already recognized this principle in enacting a 2-year carry-back of net operating losses and unused excess-profits credits in the Revenue Act of 1942. There are, of course, other conceivable methods of charging wartime income with post-war costs directly related to that income. In considering the adoption of any of these methods the difficult problems involved in working out a plan which will be fair both to the Government and to enterprise must be faced. Some of these major problems are: (1) estimating now the magnitude of post-war costs chargeable to wartime income; (2) determining the portion of post-war costs chargeable to wartime income; and (3) administering the post-war application of reserves.

If, on the other hand, the principle of tracing post-war costs back to wartime income were to be discarded, and post-war reserves were to be allowed without regard to their applicability to wartime income, the implications for the post-war competitive structure would be far reaching. The allowance of expenditures for the production of post-war products would result in substantial discriminatory benefits to certain firms. The greatest benefit would accrue to firms making the largest profits during the war, and therefore subject to the highest tax rates. The benefit would be as great as 81 cents on each dollar for the excess-profits taxpayer and 40 cents on each dollar for firms earning normal profits during the war. In contrast, the firms suffering losses during the war period, as well as new post-war firms, would receive no benefit from this treatment although the difficulties they face in entering post-war markets may be much greater than those faced by the war producer.

I hope to discuss these and other aspects of the post-war reserve problem with your committee during the consideration of the next revenue bill.

There may be other questions which the committee has in mind concerning renegotiation, which may have a revenue implication. If there are any, I shall be glad to try to answer them at whatever stage of these proceedings the committee may desire.

I want to add something here to my written statement. I think the point has been made previously in these hearings, and I want simply to mention the point in passing that we would have to allow, for instance, in the case of a corporation subject to the excess-profits tax, five times as much in reserves as the amount of reserve which we ultimately wish to bestow upon the corporation because the amount involved in the reserve would be subject to tax, and 81 percent of it would be taken away by the excess-profits tax imposed upon it.

I hope to discuss these and other aspects of the post-war reserve problem with your committee during the consideration of the revenue bill.

There may be other questions which I have not covered and on which you may wish to ask me some questions and I will be very glad to try to answer them.

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### Exhibit 50

*Statement of Randolph E. Paul, General Counsel for the Treasury Department, before the Subcommittee on War Contract Termination of the Senate Committee on Military Affairs on termination of war contracts, October 27, 1943, discussing the relation of tax policy to corporate reconversion problems*

#### A. THE PROBLEM OF POST-WAR TRANSITION

I am very glad to appear before this Subcommittee of the Senate Committee on Military Affairs in order to present the views of the Treasury on certain aspects of contract termination. This problem, in its broader aspects, is one of national concern, since it relates to the speed and smoothness with which the Nation's transition from a wartime to a peacetime economy can be effected.

In a highly integrated economy, such as ours, the speedy reconversion of more than half of our men and machines from wartime to peacetime production cannot be accomplished without some dislocation. The period of transition is likely to be one in which many workers will find themselves without jobs and

many employers will suffer losses. It is, of course, in the interest of all of us to keep unemployment at a low level. We are all desirous of holding post-war business losses to the lowest possible figure. In addition, the Treasury is especially interested in minimizing unemployment and post-war losses since both will have a significant effect upon its fiscal operations. Apart from the obvious effect of a low level of employment on Federal revenues, protracted unemployment during the post-war years will draw heavily on accumulated unemployment insurance reserves. In addition, business losses will require substantial refunds of wartime taxes.

During the fiscal year 1944, war expenditures will be about one-half of the gross national product. Income payments to individuals for the same period are estimated at \$151.8 billion. Even assuming the most careful planning of Government cancelations, the termination of hostilities is likely to be attended by a severe reduction in the flow of Government funds. Such a reduction will in turn be reflected in lower income payments to individuals. It is possible and important to plan now for the maintenance of a high national income after the war. I recognize that wartime levels of income and employment may not be maintained under peacetime conditions. However, if income and employment are to be maintained at high peacetime levels, private investment and spending will need to be stepped up to replace Government investment and spending.

Three general situations must be forestalled if the transition from a wartime to a peacetime economy is to be satisfactorily effected. In the first place, the inevitable decline in the level of income payments following the termination of hostilities may become cumulative and result in severe deflation and a low level of employment. If the workers dismissed from their jobs in war industries are not given new work in the production of civilian goods within a relatively short space of time, there is the danger that this initial reduction in purchasing power will be followed by a further reduction through the curtailment of employment in the civilian goods sector of the economy. Although the possibility of sharp deflation following the termination of war orders can not be overlooked, the tremendous backlog of \$55 billion of purchasing power now held in the form of war savings, coupled with an unprecedented volume of unsatisfied consumer wants, make such a development unlikely during the period immediately following the close of the war (see exhibit A).

A second possible danger of the transition period is the possibility that the flow of consumer goods will not respond promptly enough to match the release of long-pent-up purchasing power. War savings, a substantial amount of which have been accumulated in the form of currency, checking accounts, and cashable securities, may pour into the consumer goods market faster than industry can turn out its normal complement of peacetime goods. Thus, delay in reconversion may lay the basis for substantial price increases and possibly for severe inflation. The extent of this danger depends, of course, on the degree to which we continue rationing, priorities, and price ceilings.

A third situation may materialize which would have serious consequences on the post-war competitive structure of business enterprise. Nearly 50 percent of American industry is currently engaged in the production of war goods. The extent to which most of these producers can successfully reestablish themselves in the post-war markets for peacetime products depends, in large part, upon the speed with which they can reconvert their plants and get them into peacetime production. Delay in reconversion may mean the loss of markets which will be either difficult or impossible to recapture. Thus, the competitive position of corporations which are, for any reason, prevented from reconverting promptly, will be impaired. If, as may well be, such a development would operate to the disadvantage of small and medium-size concerns, it would encourage the growth of monopolies.

Most business firms will be more than willing—they will be anxious—to make the expenditures necessary for the reconversion of plant and equipment and the production of peacetime products. Their ability to do so depends, however,

upon the availability of liquid funds with which to pay labor and purchase raw materials. This in turn depends in part upon the manner in which the problem of contract termination is handled, particularly the speed with which the Government is prepared to meet its obligations to contractors and subcontractors.

It is generally accepted that two factors in the wartime situations will accentuate the post-war cash problem. In the first place, high taxes, possibly imposed on overstated profits, may create a difficult post-war financial problem for many firms. In the second place, the demand for high levels of wartime production has, in many instances, tied up working capital in inventories and work in process. Unless the provisions permitting the carry-back of losses and unused excess-profits credit, and the refund of wartime taxes, can be made to operate speedily, and unless the working capital tied up in Government contracts can be liquidated promptly, the ability of many firms to survive the transition period may be impaired.

## B. THE NEED FOR SPEEDING UP REPAYMENT OF TAXES UNDER THE CARRY-BACKS

### 1. THE PRESENT SITUATION

In preference to several alternative adjustments, Congress passed, as part of the Revenue Act of 1942, a two-year carry-back of losses and unused excess-profits credits. These carry-backs constituted an addition to the then existing two-year carry-over of such losses and credits.

The broad outlines of the carry-back provisions may be briefly summarized. If a net operating loss occurs in any taxable year, it may be carried back and offset against income earned in the two previous years. Losses must be carried back first to the second preceding year and then to the immediately preceding year. In each year losses must be offset first against taxable excess profits and then against normal profits. The entire income of the earliest year must be exhausted before the unused loss balance may be carried forward against income earned in the following year.

Should any taxable excess profits remain in the two preceding years after this loss carry-back adjustment, the unused excess-profits credit may be carried back against taxable excess profits in the earliest year and then against such profits in the later year. Any part of a net operating loss or unused excess-profits credit not utilized as a carry-back may be carried forward for two years; taken together, the carry-backs and the carry-forwards may accomplish a five-year averaging of income.

These carry-backs, we are convinced, will provide a fully adequate response to all reasonable needs for reserves not otherwise provided. While business will not be free of problems, it would be easy to exaggerate its prospective post-war plight in regard to available assets. In addition to accumulated surplus, the details of which I shall develop in a few moments, we must take into account the relief provisions in the present law. The potential importance of the carry-backs may be gauged by reference to the profits of corporations for the years 1942 and 1943. The net income before taxes in 1942 and 1943 of \$44.3 billion would be chargeable with losses incurred in 1944 if the war ended in that year. Even if the losses were not incurred until 1945, 1943 income alone could absorb losses of \$23 billion.

In addition it should be noted that many corporations will obtain relief from excess-profits taxes under the general relief provision (section 722) which permits numerous adjustments for constructing a normal earnings credit higher than the average profits earned in the pre-war base period years. Up to October 19, 1943, the Bureau of Internal Revenue received 30,150 applications involving \$2.3 billion of claims against excess-profits tax liabilities of \$4.6 billion. These claims amount to nearly half of the total liabilities of the filing corporations.

The Treasury believes that the large effective reserves which will emerge from operation of the present carry-back and relief provisions go a long way to protect business from wartime taxation on illusory profits. At the same time, it is realized that unless the resulting refunds or credits can be made more speedily available to the taxpayers than is likely to be possible under the present law, the stabilizing effects of the refunds will be substantially reduced.

Under present law refunds resulting from these carry-backs must be claimed in the usual manner and subject to the customary administrative procedure necessary to determine the merits of the claim and the exact amount due. While the necessity for careful administration cannot be escaped, it must be recognized that the present method involves a considerable delay in making funds available to the taxpayer.

## 2. THE TREASURY'S PROPOSALS

The Treasury has been considering means of accelerating refunds under the carry-backs. We have submitted to the Ways and Means Committee a proposal intended to facilitate a quick improvement in the cash position of taxpayers whose situation in this respect has suffered by reason of post-war adjustments. As tentatively worked out, it would embody the following principal features:

1. If, for any taxable year beginning prior to the expiration of some reasonable post-war period, a corporate taxpayer anticipates the realization of a net operating loss or the existence of an unused excess-profits credit which could ultimately be used as a carry-back against the taxable income of the two prior years, it may apply for complete or partial deferment of the quarterly tax payments due in that year with respect to the preceding year's taxable income and also of any payments of deficiencies in tax which are due.

2. The extent of the postponement of these payments would be limited to the amount of the refunds of taxes that would result from the anticipated carry-backs.

3. A statement of the estimated amount of these losses or unused credits and of the resulting refunds would be required to be filed with the Collector of Internal Revenue, together with supporting data sufficient to satisfy him of the reasonableness of the taxpayer's claim. Generally speaking, such data would include a statement of profit and loss for at least the preceding quarter and the business circumstances tending to support a projection of the loss results, or of earnings below the credit level, for all or the remainder of the taxable year. The latter information would be of particular importance in instances where the estimated loss or credit claimed is greater than a proportionate projection of the quarterly results would indicate. Evidence of falling earnings or of anticipated reconversion costs, inventory losses, dismissal wage payments, contract terminations and similar items would be pertinent in this connection.

4. Partial protection should be given to the revenue by permitting acceleration of the collection of deferred payments, or other protective measures, where subsequent circumstances indicate the ultimate collection of tax to be in jeopardy.

5. When the taxable year from which a carry-back is anticipated is completed, the usual return will be filed and a precise computation of the refunds to be claimed can then be made. The amount of the deferred payments would first be offset against the claimed amount of refunds. Any excess of deferred payments would be collected with interest. On the other hand, it is proposed that payment of any balance of refunds due would be accelerated.

The procedure for acceleration would, it is believed, involve the making by the Commissioner of a tentative determination of the amount due. This would be credited or refunded within the shortest possible time, probably in from sixty to ninety days. Thereafter, the final determination of claims for refund would proceed in ordinary course; on ultimate readjustment the taxpayer would repay any erroneous refunds or the Government would pay any balance of refunds remaining unpaid.

## C. THE NEED FOR PROMPT PAYMENT IN CONNECTION WITH THE TERMINATION OF WAR CONTRACTS

The speeding up of tax refunds under the carry-back provisions of the tax law should meet one phase of the post-war cash problem. There is, however, another problem—the cash problem arising if working capital is even temporarily frozen in wartime inventories.

The magnitude of this problem is not easy to assess at the present time. We do not know how many firms will find themselves in a highly illiquid condition after the war, because we do not know how long the war will last—nor do we know whether it will terminate gradually or abruptly. The longer the war lasts,

and the more gradual its termination, the easier it will be for war contractors to finance their reconversion. This is true irrespective of the speed with which contracts are settled and compensation for losses is paid. However, it may well be that we should provide additional safeguards to business in case an abrupt termination of a relatively short war places a high premium on cash during the transition period.

If the war should end at the close of this year, American corporations as a group would be in an enviable position as to profits and surplus. Treasury estimates submitted to the Ways and Means Committee indicate that the net income retained by profit corporations after taxes and after net dividends paid will aggregate for the years 1941, 1942, and 1943 \$15.5 billion, or two and a half times the amounts retained during the pre-war years 1936-1939. (See exhibit B.)

Additions to surplus do not, of course, automatically insure liquidity. Liquidity depends on the kinds of assets held by a corporation and not upon the amount of its surplus. To the extent that retained earnings are tied up in fixed plant, inventories, or receivables, they will not be available for meeting the expenses of transition to peacetime operation. Neither will they provide working capital needed to carry on peacetime employment and production.

However, recent studies of the holdings of liquid assets by individuals and corporations suggest that for corporations as a whole these holdings have risen even faster than retained earnings. In an article appearing in the *Survey of Current Business*<sup>1</sup> it is estimated that all corporations increased their holdings of currency, bank deposits and United States Government securities by \$19 billion during the two years, 1941 and 1942. If these holdings of liquid assets are increased as much in 1943 as they were in 1942 corporations will for the years 1941, 1942 and 1943 have increased their liquid assets by \$33 billion.

This general picture of the current financial position of corporate enterprise does not indicate the probability of a serious post-war cash problem. It is recognized, however, that the high degree of liquidity for corporations as a whole does not mean that all corporations will be in a satisfactory financial condition at the end of the war. There are cases where working capital is almost entirely tied up in wartime inventories and goods in process. In some cases the demands for ever expanding output have made it impossible to set aside a reserve of liquid assets out of earnings. A large number of these cases are found in industries which have enjoyed a phenomenal growth since the beginning of the war, especially among the smaller corporations. To protect such firms from the impact of the post-war readjustments it is important that we speed up settlements arising out of contract termination and arising also from tax refunds.

#### D. CONCLUSIONS

Our principal concern after the war will be to maintain a high level of national income, high levels of business activity and full employment. This is especially important in view of the present high levels of income and employment to which workers and employers alike have become accustomed.

The termination of the war will find many business concerns with cash claims against the Government. Some will have claims incident to the settlement of war contracts; others will have claims for tax refunds due to the overpayment of taxes on wartime incomes. The interests of the Nation can be served best by providing now for ways and means of expediting the release of such cash claims to private enterprise immediately after the termination of the war.

We must not permit delayed settlements of contracts and delayed refunds of tax overpayments to interfere with the speedy readjustment to peacetime production. We stand to lose if we strive for the last degree of perfection in the auditing of such settlements. Our main task is to accomplish the change-over to a peace economy without delay and with the maximum encouragement from the Government by making available to private enterprise speedily the cash which will ultimately be due to business concerns.

<sup>1</sup>E. T. Weiler "Wartime Savings and Postwar Inflation." *Survey of Current Business*, July 1943.

We must also see to it that in the readjustment to peacetime production after the war the position of small business is not permitted to deteriorate. Small business must be able to compete with large business in recapturing the post-war markets.

In closing, I should like to emphasize the fact that the problem of post-war adjustments is not one which can be solved through tax measures alone. The allowance of deductible reserves is not necessary to provide adequate tax relief; moreover, it would result in gross inequities. It should also be noted that adequate relief would not be afforded by deductible reserves. They would not bear any necessary relationship to the need for cash. For many profitable corporations, reserves set up to secure tax deduction would unnecessarily increase liquid assets, while for unprofitable corporations—which might be hardest hit in the post-war adjustment—the deduction of reserves would bring no advantage.

To rely upon tax measures to accomplish what other governmental action can alone accomplish is to do gross inequity without solving any problem at all. The needs of business for cash cannot be met without the prompt liquidation of war contracts.

EXHIBIT A.—LIQUID SAVINGS OF INDIVIDUALS, CLASSIFIED BY TYPE OF SAVINGS,  
JANUARY 1940–JUNE 1943

[In billions of dollars]

	Net increase during period				
	Calendar years			Jan.–June 1943	Total Jan. 1940– June 1943
	1940	1941	1942		
Life insurance <sup>1</sup> .....	1.7	2.1	2.4	1.6	7.8
Savings accounts <sup>2</sup> .....	1.0	.4	1.0	1.9	4.3
Currency and checking accounts.....	2.3	5.3	11.0	5.3	23.9
Securities:					
U. S. Government.....	.7	3.2	10.2	6.8	20.9
Other.....	-.6	-.7	.2		-1.1
Debt repayment <sup>3</sup> .....	-2.0	-1.7	2.5	1.0	-.2
Total.....	3.1	8.5	27.2	16.5	55.3

SOURCE.—Securities and Exchange Commission, Comptroller of the Currency, and Treasury Department.

NOTE.—Figures are rounded to nearest tenth of a billion, and will not necessarily add to totals.

<sup>1</sup> Excludes social insurance accumulations in governmental accounts.

<sup>2</sup> Includes time deposits of commercial banks, mutual savings bank accounts and savings and loan association shares; assumes that none of the increases in time deposits of individuals (including partnerships) and corporations are attributable to corporations.

<sup>3</sup> Reduction in consumer debt and in residential mortgage debt owed to incorporated business.



## EXHIBIT B.—NET INCOME, INCOME TAXES AND DIVIDENDS OF CORPORATION RETURNS, 1936-44

[Money amounts in millions of dollars]

## RETURNS WITH NET INCOME

	Actual						Estimated		
	1936	1937	1938	1939	1940	1941 <sup>1</sup>	1942	1943	1944
1. Net income (including dividends received and tax-exempt interest).....	9,726	9,848	6,725	9,028	11,283	17,986	22,200	24,700	26,900
2. Dividends received <sup>2</sup> .....	2,504	2,515	1,625	1,779	1,852	2,092	1,350	1,300	1,400
3. Tax-exempt interest <sup>3</sup> .....	488	419	420	464	485	502	600	600	500
4. Net income (excluding dividends received and tax-exempt interest: line 1 minus line 2 minus line 3).....	6,734	6,915	4,680	6,785	8,946	15,391	20,250	22,800	25,000
5. Net income (excluding dividends received: line 1 minus line 2).....	7,222	7,334	5,100	7,248	9,431	15,894	20,850	23,400	25,500
Income and excess-profits taxes:									
6. Income tax.....	1,025	1,057	854	1,216	2,144	3,745	4,300	4,500	4,700
7. Undistributed profits tax.....	145	176							
8. Excess profits tax (after deduction of entire post-war credit).....					374	3,357	7,350	8,850	9,800
9. Declared-value excess-profits tax.....	22	43	6	16	31	64	100	100	100
10. Total income and excess-profits taxes.....	1,191	1,276	860	1,232	2,549	4,166	11,750	13,450	14,600
11. Net income (excluding dividends received) after taxes (line 5 minus line 10).....	6,031	6,058	4,240	6,016	6,882	8,728	9,100	9,950	10,900
12. Net dividends paid <sup>5</sup> .....	4,675	4,794	3,155	3,783	4,036	4,426	4,000	3,900	4,000
13. Net income retained after taxes and after net dividends paid (line 11 minus line 12).....	1,356	1,264	1,085	2,233	2,846	4,302	5,100	6,050	6,900
14. Ratio of taxes to net income (excluding dividends received: line 10 divided by line 5) (percent).....	16.5	17.4	16.9	17.0	27.0	45.1	56.4	57.5	57.3
15. Ratio of net dividends paid to net income after taxes (line 12 divided by line 11) (percent).....	77.5	79.1	74.4	62.9	58.6	50.7	44.0	39.2	36.7

SOURCE.—For years 1936-41: Statistics of Income. Net income including dividends received and tax-exempt interest equals compiled net profit for the years 1936-39; for 1940 and subsequently it equals compiled net profit with net operating loss deduction.

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Preliminary figures.

<sup>2</sup> Dividends from domestic corporations, subject to income taxation under the Federal tax law, which is the amount used for computation of dividends received credit.

<sup>3</sup> Includes both partially and wholly tax-exempt interest.

<sup>4</sup> Excludes the effect of the carry-back of net operating losses and the carry-back of unused excess-profits credit.

<sup>5</sup> Dividends paid to stockholders other than domestic corporations; includes cash and assets other than companies' own stock.

## Exhibit 51

*Message from the President of the United States returning without approval the bill (H. R. 3687) entitled "An act to provide revenue, and for other purposes," February 22, 1944*

*To the House of Representatives:*

I return herewith, without my approval, H. R. 3687, entitled "An act to provide revenue, and for other purposes."

I regret that I find it necessary in the midst of this great war to be compelled to do this in what I regard as the public interest.

Many months ago, after careful examination of the finances of the Nation, I asked the Congress for legislation to raise \$10,500,000,000 over and above the existing revenue system. Since then persons prominent in our national life have stated in no uncertain terms that my figure was too low.

The measure before me purports to increase the national revenue by a little over \$2,000,000,000. Actually, however, the bill in its net results will enrich the Treasury by less than \$1,000,000,000.

As a tax bill, therefore, I am compelled to decide that it is wholly ineffective toward that end.

More specifically the bill purports to provide \$2,100,000,000 in new revenues. At the same time it cancels out automatic increases in the social security tax, which would yield \$1,100,000,000. In addition it grants relief from existing taxes which would cost the Treasury at least \$150,000,000 and possibly much more.

In this respect it is not a tax bill but a tax-relief bill providing relief not for the needy but for the greedy.

The elimination of automatic increases provided in the social security law comes at a time when industry and labor are best able to adjust themselves to such increases. These automatic increases are required to meet the claims that are being built up against the social security fund. Such a postponement does not seem wise.

The clause relating to renegotiating of war contracts terminates the present renegotiation authority on December 31 of this year. This seems unwise at this time because no person can at present determine what a renegotiation time limit should be. More experience is needed. The formal right of appeal to The Tax Court that is granted by this bill is an inept provision. The present Tax Court exists for a wholly different purpose and does not have the personnel or the time to assume this heavy load.

The bill is replete with provisions which not only afford indefensible special privileges to favored groups but sets dangerous precedents for the future. This tendency toward the embodiment of special privileges in our legislation is in itself sufficiently dangerous to counterbalance the loss of a very inadequate sum in additional revenues.

Among these special privileges are:

(a) Permission for corporations reorganized in bankruptcy to retain the high excess-profits credit and depreciation basis attributable to the contributions of stockholders who are usually eliminated in the reorganization. This privilege inures to the benefit of bondholders who, in many cases, have purchased their bonds in the speculative market for far less than their face value. It may open the door to further windfall profits in this market because of the undeserved benefit received by reorganized corporations.

(b) Percentage depletion allowances, questionable in any case, are now extended to such minerals as vermiculite, potash, feldspar, mica, talc, lepidolite, barite and spodumene. In the case of some of these minerals the War Production Board refused to certify that current output was inadequate for war needs.

(c) The lumber industry is permitted to treat income from the cutting of timber, including selective logging, as a capital gain rather than annual income. As a grower and seller of timber, I think that timber should be treated as a crop and therefore as income when it is sold. This would encourage reforestation.

(d) Natural-gas pipe lines are exempted from the excess-profits tax without justification and in a manner which might well lead oil companies to request similar treatment for their pipe lines.

(e) Commercial air lines are granted an unjustifiable extension of the tax subsidy on their air-mail contracts.

It has been suggested by some that I should give my approval to this bill on the ground that having asked the Congress for a loaf of bread to take care of this war for the sake of this and succeeding generations, I should be content with a small piece of crust. I might have done so if I had not noted that the small piece of crust contained so many extraneous and inedible materials.

In regard to that part of the bill which relates to wholly unobjectionable tax increases, may I respectfully suggest to the Congress that the excise taxes can easily and quickly be levied. This can be accomplished by the passage of a simple joint resolution enacting those provisions of the bill which increase the excise taxes. I should be glad to approve such a measure. This would preserve the principal revenue provisions of the bill without the objectionable features I have criticized.

In another most important respect this bill will disappoint and fail the American taxpayers. Every one of them, including ourselves, is disappointed, confused, and bewildered over the practical results of last year's tax bill. The Ruml plan was not the product of this administration. It resulted from a widespread campaign based on the attractive slogan of "pay as you go." But, as was said many years ago in the State of New York in regard to that same slogan, "You don't pay and you don't go."

The Nation will readily understand that it is not the fault of the Treasury Department that the income taxpayers are flooded with forms to fill out which are so complex that even certified public accountants cannot interpret them. No, it is squarely the fault of the Congress of the United States in using language in drafting the law which not even a dictionary or a thesaurus can make clear.

The American taxpayer has been promised of late that tax laws and returns will be drastically simplified. This bill does not make good that promise. It ignores the most obvious step toward simplifying taxes by failing to eliminate the clumsy Victory tax. For fear of dropping from the tax rolls those taxpayers who are at the bottom of the income scale, the bill retains the Victory tax—while at the same time it grants extensive concessions to many special interest groups.

The suggestion of withholding at graduated rates, which would relieve millions of people of the task of filing declarations of estimated income, was not adopted.

I trust, therefore, that the Congress, after all these delays, will act as quickly as possible for simplification of the tax laws which will make possible the simplification of the forms and computations now demanded of the individual taxpayers. These taxpayers, now engaged in an effort to win the greatest war this Nation has ever faced, are not in a mood to study higher mathematics.

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The responsibility of the Congress of the United States is to supply the Government of the United States as a whole with adequate revenue for wartime needs, to provide fiscal support for the stabilization program, to hold firm against the tide of special privileges, and to achieve real simplicity for millions of small income taxpayers.

In the interest of strengthening the home front, in the interest of speeding the day of victory, I urge the earliest possible action.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 22, 1944.*

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### Exhibit 52

*Letter to Chairman Walter F. George, Senate Finance Committee, and Chairman Robert L. Doughton, House Committee on Ways and Means, from Secretary Morgenthau, March 10, 1944, relative to individual income tax simplification*

MARCH 10, 1944.

MY DEAR MR. CHAIRMAN: I understand that the staff of the Joint Committee and the Treasury tax staff are about to complete their work on simplification of individual income-tax returns. I am told they hope to be ready to submit their joint recommendations to the Committee on Ways and Means of the House shortly.

Speedy enactment of the proposed legislation seems to me to be of the very first importance. Obviously here is one sphere within which we can appreciably lighten the load of inconvenience which the war has placed on American citizens.

It is my hope that in order to expedite passage of this measure, your Committee will restrict this bill solely to simplification. I wish to assure you of the complete cooperation of the Treasury Department in working with your Committee toward the best possible simplification of our individual income-tax system.

Sincerely yours,

HENRY MORGENTHAU, Jr.

**Exhibit 53**  
*Federal taxes of the United States, 1939 through 1944*  
 RATES, EXEMPTIONS, AND CREDITS

Title of tax	In effect Dec. 31, 1939		Revenue Act of—				Individual Income Tax Act of 1944
	Year enacted	Rates, exemptions, and credits	1940	1941	1942	1943	
INCOME TAX							
On individuals: <sup>1 2</sup>							
Personal exemptions:							
Married or head of family <sup>3</sup>	1932	\$2,500	\$2,000	\$1,500	\$1,200	No change <sup>4</sup>	\$1,000. <sup>5</sup>
Single	1932	\$1,000	\$800	\$750	\$500	No change <sup>4</sup>	\$500. <sup>5</sup>
Credit for dependents	1921	\$400	No change	No change	\$350	No change <sup>4</sup>	\$500. <sup>5 6</sup>
Victory tax: <sup>7</sup>					5% of Victory tax net income in excess of \$824. <sup>8</sup>	3% of Victory tax net income in excess of \$824. <sup>4</sup>	Repealed.
Rate					The following amounts of tax: 25% or \$500, whichever is less.	Repealed <sup>4</sup>	
Credits against Victory tax: <sup>9</sup>					40% or \$1,000, whichever is less.	Repealed <sup>4</sup>	
Single person, married person not living with husband or wife, or an estate or trust.					40% or \$500, whichever is less.	Repealed <sup>4</sup>	
Head of family					40% or \$1,000, whichever is less.	Repealed <sup>4</sup>	
Married persons:							
If separate returns are filed by each spouse.					40% or \$500, whichever is less.	Repealed <sup>4</sup>	
If separate return is filed by one spouse and no return is filed by the other spouse, or if a joint return is filed.					40% or \$1,000, whichever is less.	Repealed <sup>4</sup>	
Each dependent							
Normal tax rate—Applies to net income in excess of certain credits.	1934	4% <sup>10</sup>	No change <sup>11</sup>	4% <sup>12</sup>	2% or \$100, whichever is less.	Repealed <sup>4</sup>	3% <sup>3</sup>
Surtax:							
Minimum rate	1934	4% <sup>10</sup>	No change <sup>11 13</sup>	6% <sup>14</sup>	13% <sup>12</sup>	No change <sup>4 14</sup>	20% <sup>15</sup>
Maximum rate	1935	7% <sup>10</sup>	No change <sup>11 13</sup>	7% <sup>14</sup>	8% <sup>12</sup>	No change <sup>4 14</sup>	9% <sup>15</sup>
Minimum rate applies to portion of surtax net income.	1934	\$4,000-\$6,000 <sup>10</sup>	No change	0-\$2,000	No change <sup>12</sup>	No change <sup>4 14</sup>	0-\$2,000.
Maximum rate applies to portion of surtax net income.	1935	Over \$5,000,000 <sup>10</sup>	No change	No change	Over \$200,000 <sup>12</sup>	No change <sup>4 14</sup>	Over \$200,000.
Dividends	1936	Subject to normal tax	No change	No change	No change	No change	No change.
Earned-income credit <sup>16</sup>	1934	10% of amount of earned net income, but not in excess of 10% of amount of net income to be credited against net income for normal tax.	No change	No change	No change	Repealed	No change.

NOTE.—This exhibit does not include (1) customs duties, (2) miscellaneous fines and fees, (3) the tax with respect to certain hydraulic mining (act of Mar. 1, 1893, as amended by the act of June 19, 1934), and (4) various taxes levied in the District of Columbia for expenses of the District of Columbia.

The Internal Revenue Code, approved Feb. 16, 1939, which was enacted as law, codified certain general laws of the United States and parts of such laws relating exclusively to internal revenue, in force on Jan. 2, 1899, and repealed all such laws and parts of laws codified therein to the extent that they related exclusively to internal revenue, as of the effective dates of the respective corresponding provisions of the Code. The references in the exhibit to the Revenue Acts of 1940-43 and the Individual Income Tax Act of 1944 are to the respective amendments of the Code as contained in such acts. The 1940 column covers the Revenue Act of 1940, the Second Revenue Act of 1940, and the Excess Profits Tax Amendments of 1941.

For Federal taxes in the period 1913 through 1939, see Annual Report of the Secretary of the Treasury for the Fiscal Year 1940, pp. 465-534.

<sup>1</sup> In addition to the Revenue Act of 1943, the Congress enacted the Current Tax Payment Act of 1943, which revised the system of individual income tax payment but made no change in the rates, exemptions, and credits. The act provided for current collection of tax liability by collection at source, and by filing of declarations of estimated tax and the current payment of such tax by taxpayers not made substantially current in their payments through withholding. To provide for transition to current payments, the act in general canceled 75% of either the 1942 or 1943 tax, whichever was the lesser.

<sup>2</sup> For rates and exemptions with respect to nonresident alien individuals, see Supplement A, p. 483. For tax treatment of capital gains and losses, see Supplement B, p. 484.

<sup>3</sup> Subsequent to the act of Oct. 22, 1914, and prior to the Individual Income Tax Act of 1944, the personal exemption allowed to married persons was also allowed to heads of families. The changes in individual income tax exemptions and rates made by the Revenue Act of 1943, intended to be applicable to the taxable year 1944, were superseded by the provisions of the Individual Income Tax Act of 1944 before they became effective.

<sup>4</sup> Surtax exemptions. For surtax, each taxpayer is allowed an exemption of \$500, plus \$500 for his spouse, and \$500 for each dependent. The normal-tax exemption is \$500. However, if husband and wife combine their income in a joint return, the normal-tax exemption is \$500 plus the amount of the smaller of the two incomes, but not more than \$1,000 for both.

<sup>5</sup> The Individual Income Tax Act of 1944 eliminated the former requirement that a "dependent" must be under 18 years old or incapable of self-support. Under the 1944 act the taxpayer may claim as a dependent any close relative whose income is less than \$500 and who received more than half of his support from the taxpayer, provided he is a resident of the United States, Canada, or Mexico.

<sup>6</sup> As a means of effecting an annual limitation of 90% on the combined individual income tax and Victory tax, the gross Victory tax (before deduction of credits against the tax) was limited to the amount by which 90% of net income exceeded the regular net income tax liability.

<sup>7</sup> Applicable to taxable year 1943 only.

<sup>8</sup> Although these credits, as incorporated in the Revenue Act of 1942, were to be postwar credits, allowable currently only under specified conditions, they were converted into automatic current credits by Public Law 178, approved Oct. 28, 1943.

<sup>9</sup> In the case of compensation (a) received for personal services rendered by an individual in his individual capacity, or as a member of a partnership, and covering a period of 5 calendar years or more from the beginning to the completion of such services, (b) paid (or not less than 95% of which is paid) only on the completion of such services, and (c) required to be included in gross income of such individual for any taxable year beginning after Dec. 31, 1938, the tax attributable to such compensation shall not be greater than the aggregate of taxes which would have been paid had the income been received in equal portions in each of the years in the period. Applicable until effective date of amendment stated in footnote 12.

<sup>10</sup> For taxable years beginning after Dec. 31, 1939, and before Jan. 1, 1941, the sum of the normal tax and surtax computed under the above rates was increased by a defense tax of 10% of the amount of the tax limited, however, to 10% of the excess of the net income over the sum of the normal tax and surtax.

<sup>11</sup> If at least 80% of the total compensation for personal services covering a period of 36 calendar months or more (from the beginning to the completion of such services) is received or accrued in one taxable year by an individual or a partnership, the tax attributable to any part thereof which is included in the gross income of any individual shall not be greater than the aggregate of the taxes attributable to such part had it been included in the gross income of such individual ratably over that part of the period which precedes the date of such receipt or accrual. Applicable to taxable years beginning after Dec. 31, 1940, but with respect to a taxable year beginning after Dec. 31, 1941, the period specified shall be 60 months in lieu of 36 months, and the percentage specified shall be 75%, in lieu of 80%.

<sup>12</sup> While the minimum and maximum surtax rates were not changed, the surtax rates were increased on surtax net incomes in excess of \$6,000 and not in excess of \$100,000. From that point the rates of sec. 12 (b), Internal Revenue Code, were retained.

<sup>13</sup> If the amount of back pay received or accrued during the taxable year exceeds 15% of gross income, the maximum tax attributable to such back pay shall be the tax resulting from inclusion of such amount in the gross income of the taxable years to which the back pay is attributable. For definition of back pay, see sec. 107 (d) (2), Internal Revenue Code. Applicable to taxable years beginning after Dec. 31, 1940.

<sup>14</sup> The combined normal tax and surtax (before deduction of credits for foreign taxes, taxes withheld at source, and taxes withheld on wages) is limited to 90% of net income for the taxable year.

<sup>15</sup> The amount of net income accounted as earned for purposes of the earned-income credit was all net income up to \$3,000, whether earned or not, and up to \$14,000 if earned. In the case of a taxpayer engaged in a trade or business in which both personal services and capital were material income-producing factors, a maximum of 20% of his share of the net profits of such trade or business was includable within the earned-income category.

## Federal taxes of the United States, 1939 through 1944—Continued

Title of tax	Revenue Act of—				
	In effect Dec. 31, 1939	1940	1941	1942	1943
Year enacted	Rates, exemptions, and credits	1940	1941	1942	1943
INCOME TAX—Continued On corporations: <sup>17</sup> Normal tax	1938	<p>Normal tax net income, in total amount:<sup>18</sup> First \$5,000—14.85% Next \$15,000—16.5% Next \$5,000—18.7% Over \$25,000 and not over \$31,964.30:<sup>20</sup> First \$25,000—14.85% Next \$6,964.30—38.3% Over \$31,964.30 and not over \$38,565.89:<sup>20</sup> First \$5,000—15.4% Next \$15,000—16.9% Next \$5,000—18.9% Next \$13,565.89—36.9% Over \$38,565.89—24.0% of entire normal tax net income.</p>	<p>Normal tax net income, in total amount: First \$5,000—15.0% Next \$15,000—17.0% Next \$5,000—19.0% Over \$25,000 and not over \$38,461.54:<sup>20</sup> First \$25,000—14.250% Next \$13,461.54—37.0% Over \$38,461.54—24.0% of entire normal tax net income.</p>	<p>Normal tax net income, in total amount: \$25,000 or less: No change.</p> <p>Over \$25,000 and not over \$50,000:<sup>20</sup> First \$25,000—14.250% Next \$25,000—31.0% Over \$50,000—24.0% of entire normal tax net income.</p>	No change.
Dividend exemption (dividend received credit).	1936	85% <sup>21</sup>	No change	85% <sup>24</sup>	No change.

Surtax	1939	1938	1937
<p>means net income (after deducting the declared-value excess-profits tax) minus the credit for interest received on certain obligations of the United States. This "adjusted net income" less the "dividends received credit" constitutes the amount subject to income tax.</p>	<p>None</p>	<p>Net operating losses sustained in a taxable year beginning on or after Jan. 1, 1939, may be carried forward against net income of the following 2 taxable years.</p> <p>For purposes of computing the dividends paid credit for 1939, a carry-over of net operating losses from the preceding taxable year was provided.</p>	<p>come" consists of "net income" (after deduction of the declared-value excess-profits tax), minus the credit for interest received on certain obligations of the United States, less income subject to excess-profits tax (adjusted excess-profits net income), less the "dividends received credit."</p> <p>Surtax net income, in total amount: \$25,000 but not over \$50,000: First \$25,000—10.0% \$25,000—Next \$25,000—22.0% Over \$50,000—16.0% of entire surtax net income.</p> <p>No change.</p>
<p>Base for surtax.</p>	<p>Same as for normal tax, except that no credit is allowed for interest received on certain obligations of the United States.</p> <p>No change.</p>	<p>Net operating losses may be (1) carried back against net income of the 2 preceding taxable years (but not to any taxable year beginning before Jan. 1, 1941), and (2) to the extent not absorbed by this carry-back, they may be carried forward against net income of the following 2 taxable years.</p> <p>No change.</p>	<p>come" consists of "net income" (after deduction of the declared-value excess-profits tax), minus the credit for interest received on certain obligations of the United States, less income subject to excess-profits tax (adjusted excess-profits net income), less the "dividends received credit."</p> <p>Surtax net income, in total amount: \$25,000 but not over \$50,000: First \$25,000—10.0% \$25,000—22.0% Over \$50,000—16.0% of entire surtax net income.</p> <p>No change.</p>
<p>Loss carry-overs and carry-backs.</p>	<p>Net operating losses sustained in a taxable year beginning on or after Jan. 1, 1939, may be carried forward against net income of the following 2 taxable years.</p> <p>For purposes of computing the dividends paid credit for 1939, a carry-over of net operating losses from the preceding taxable year was provided.</p>	<p>Net operating losses may be (1) carried back against net income of the 2 preceding taxable years (but not to any taxable year beginning before Jan. 1, 1941), and (2) to the extent not absorbed by this carry-back, they may be carried forward against net income of the following 2 taxable years.</p> <p>No change.</p>	<p>come" consists of "net income" (after deduction of the declared-value excess-profits tax), minus the credit for interest received on certain obligations of the United States, less income subject to excess-profits tax (adjusted excess-profits net income), less the "dividends received credit."</p> <p>Surtax net income, in total amount: \$25,000 but not over \$50,000: First \$25,000—10.0% \$25,000—22.0% Over \$50,000—16.0% of entire surtax net income.</p> <p>No change.</p>

<sup>17</sup> For tax treatment of capital gains and losses, see Supplement B, p. 485.

<sup>18</sup> The terms "normal tax" or "normal tax net income" were not used with respect to corporations in the Revenue Act of 1938.

<sup>19</sup> Including defense tax.

<sup>20</sup> Except that on dividends received the tax is 19%.

<sup>21</sup> The tentative tax, 19% of "adjusted net income," is reduced by 16½% of the "dividends received credit," and 2½% of the "dividends paid credit," except for certain corporations—those in bankruptcy and receivership, joint stock land banks, and rental housing corporations—for which the 19% tax is reduced by 2½% of "adjusted net income."

<sup>22</sup> But not in excess of 85% of adjusted net income (Revenue Act of 1938, sec. 20).

<sup>23</sup> But not in excess of 85% of adjusted net income after deduction of income subject to excess-profits tax.

<sup>24</sup> Public utilities are allowed a credit against surtax net income for dividends paid on certain preferred stock.

## Federal taxes of the United States, 1939 through 1944—Continued

Title of tax	In effect Dec. 31, 1939		Revenue Act of —			
	Year enacted	Rates, exemptions, and credits	1940	1941	1942	1943
EXCESS-PROFITS TAX ON CORPORATIONS <sup>26</sup>						
Specific exemption. Credit (average income credit or invested capital credit, whichever is the higher).			\$5,000 per return. Average income base: 95% of average base period (1936-39) net income plus 8% of net capital addition or less 6% of net capital reduction. <sup>27</sup> Invested capital base: 8% of invested capital.	No change. No change.	No change. No change.	\$10,000 per return. No change.
Treatment of income tax for purposes of determining excess-profits tax base. Carry-overs and carry-backs of unused excess-profits credits.			Normal tax deductible.  The unused portion of the excess-profits credit of any taxable year may be carried forward against excess-profits net income of the following 2 taxable years.	Invested capital base: First \$5,000,000 of invested capital—8% Over \$5,000,000—7%.  No deduction of normal tax or surtax.  No change.	Invested capital base: First \$5,000,000 of invested capital—8% Next \$5,000,000—7% Next \$100,000,000—6% Over \$200,000,000—5%.  No change.	Invested capital base: First \$5,000,000 of invested capital—8% Next \$5,000,000—6% Over \$10,000,000—5%.  No change.
					The unused portion of the excess-profits credit may be (1) carried back against excess-profits net income of the 2 preceding taxable years (but not to any taxable year beginning before Jan. 1, 1941), and (2) to the extent not absorbed by this carry-back, they may be carried forward against excess-profits net income of the following 2 taxable years.	



Excess-profits tax rates (in terms of adjusted excess-profits net income).	95% flat rate.	90% flat rate	95% flat rate.
First \$20,000—25%.	First \$20,000—35%.	10% of excess-profits tax paid.	No change.
Next \$30,000—30%.	Next \$30,000—40%.	40% of the amount of	No change other than retroactive technical amendment reflected in preceding column.
Next \$50,000—35%.	Next \$50,000—45%.	year, but not more than the amount of postwar credit otherwise allowable (from which this credit is deducted) and not more than 40% of the excess of (1) the amount of debt outstanding on Sept. 1, 1942 or (2) the smallest amount of debt outstanding at the end of a taxable year beginning after Sept. 1, 1942, whichever is the lesser, over the amount of debt as of the close of the taxable year.	
Next \$150,000—40%.	Next \$150,000—50%.	The sum of normal tax, surtax, and (gross) excess-profits tax may not exceed 80% of surtax net income (before deduction of income subject to excess-profits tax). The excess-profits tax will be reduced to the extent necessary to conform with this limitation.	No change.
Next \$250,000—45%.	Next \$250,000—55%.		
Over \$500,000—50%.	Over \$500,000—60%.		
Postwar refund of excess-profits tax.			
Tax credit for debt repayment.			
Limitation upon excess-profits tax.			

<sup>25</sup> See "Recapture of excess profits on certain governmental contracts," below.

<sup>27</sup> The Second Revenue Act of 1940 established the rule that the largest deficit of any base-period year shall be disregarded in computing average base-period net income. Excess Profits Tax Amendments of 1941, applicable to taxable years beginning after Dec. 31, 1939, permitted taxpayers with higher average income in the second half of the base period than in the first half to use the so-called "growth formula."

<sup>28</sup> However, the Revenue Act of 1942 provided that the base-period net income in the lowest year of the base period shall not be less than 75% of the average base-period net income of the other three base-period years. The deficit rule was repealed at the same time.

## Federal taxes of the United States, 1939 through 1944—Continued

Title of tax	In effect Dec. 31, 1939		Revenue Act of—			
	Year enacted	Rates, exemptions, and credits	1940	1941	1942	1943
<b>RECAPTURE OF EXCESS PROFITS</b>						
Recapture of excess profits on certain governmental contracts. <sup>29</sup>	1934	All profits exceeding 10% of contract price for vessels.	All profits exceeding 8% of contract price for vessels and aircraft for Army or Navy. <sup>30</sup> (suspended by Title IV of the Second Revenue Act of 1940).	No change.	No change.	No change.
	1939	All profits exceeding 12% of contract price for aircraft for Army or Navy.				
<b>CONSOLIDATED RETURNS</b>						
Consolidated returns.	1934	Not allowed, except for railroads, etc., and wholly owned foreign subsidiaries organized to comply with the laws of Canada or Mexico. <sup>31</sup>	No change with respect to normal tax and surtax. Consolidated returns permitted for substantially all corporations with respect to excess-profits tax. No additional tax.	No change.	Allowed for income and excess-profits tax (both or none) for substantially all corporations. Additional 2% surtax imposed for privilege.	No change.
<b>CAPITAL STOCK TAX</b>						
Per \$1,000 of adjusted declared value.	1936.	\$1	\$1.10 <sup>19</sup>	\$1.25.	No change.	No change.
<b>DECLARED-VALUE EXCESS-PROFITS TAX</b>						
On net income in excess of 10% and not in excess of 15% of adjusted declared value.	1935	6.0%	6.6% <sup>19</sup>	6.6%.	No change.	No change.
On net income in excess of 15% of adjusted declared value.		12.0%.	13.2% <sup>16</sup>	13.2%.	No change.	No change.
<b>SURTAX ON CORPORATIONS IMPROPERLY ACCUMULATING SURPLUS</b>						
First \$100,000 of undistributed sec. 102 income.	1938.	25.0%.	27½% <sup>16</sup>	27½%.	No change.	No change.
Over \$100,000 of undistributed sec. 102 income.		35.0%.	38½% <sup>16</sup>	38½%.	No change.	No change.

## HOLDING COMPANIES

First \$2,000 of undistributed Subchapter A net income.  
Over \$2,000 of undistributed Subchapter A net income.

ESTATE TAX <sup>32</sup>

Specific exemption <sup>33</sup>  
Rate of tax: <sup>34</sup>  
Minimum rate.....  
Maximum rate.....  
Minimum rate applies to portion of net estate not exceeding.  
Maximum rate applies to portion of net estate.  
Credit for State death taxes paid—credit not to exceed.

## GIFT TAX

Specific exemption <sup>37</sup>  
Annual exclusion.....  
Rate of tax:  
Minimum rate.....  
Maximum rate.....  
Minimum rate applies to portion of net gifts not exceeding.  
Maximum rate applies to portion of net gifts.

1937	65.0% <sup>35</sup> 75.0% <sup>35</sup>	71½% <sup>35</sup> 82½% <sup>35</sup>	71½% <sup>35</sup> 82½% <sup>35</sup>	No change. No change.	No change. No change.	No change. No change.	No change. No change.
1935	\$40,000	No change	No change	\$60,000 <sup>34</sup>	No change.	No change.	No change.
1935	2% <sup>36</sup>	No change <sup>36</sup>	3% <sup>36</sup>	No change	No change	No change	No change.
1935	70% <sup>36</sup>	No change <sup>36</sup>	77% <sup>36</sup>	No change	No change	No change	No change.
1935	\$10,000	No change	\$5,000	No change	No change	No change	No change.
1935	Over \$50,000,000	No change	Over \$10,000,000	No change	No change	No change	No change.
1936	80% of Federal tax under Revenue Act of 1926.	No change	No change	No change	No change	No change	No change.
1935	\$40,000	No change	No change	No change	No change	No change	No change.
1938	\$1,000 <sup>38</sup>	No change	No change	\$30,000 <sup>39</sup> \$3,000 <sup>39</sup>	No change.	No change.	No change.
1935	1% <sup>40</sup>	No change <sup>40</sup>	2½% <sup>40</sup>	No change	No change	No change	No change.
1935	32½% <sup>40</sup>	No change <sup>40</sup>	57¼% <sup>40</sup>	No change	No change	No change	No change.
1935	\$10,000	No change	\$5,000	No change	No change	No change	No change.
1935	Over \$50,000,000	No change	Over \$10,000,000	No change	No change	No change	No change.

<sup>19</sup> Including defense tax.

<sup>20</sup> This tax was imposed by sec. 3 of the act of Mar. 27, 1934 (Vinson Act) (48 Stat. 505), as amended by the act of June 25, 1938 (49 Stat. 1926), the act of Apr. 3, 1939 (53 Stat. 500), and the act of June 28, 1940 (Pub. No. 671).

<sup>21</sup> Any profits in excess of 8% of the cost of performing such contracts except prime contracts made on a cost-plus-a-fixed-fee basis completed within the income taxable year shall be considered profits in excess of 8% of the contract price. In a contract entered into on a cost-plus-a-fixed-fee basis, the fee shall not exceed 7% of the estimated cost of the contract (exclusive of the fee as determined by the Secretary of the Navy or the Secretary of War, as the case may be).

<sup>22</sup> Under the Revenue Act of 1939, Pan American Trade Corporations and their domestic parent corporations were deemed to be affiliated groups of corporations within the meaning of sec. 141, Internal Revenue Code (relating to consolidated returns). This change was effective with respect to taxable years beginning after Dec. 31, 1939.

<sup>23</sup> Estates of decedents dying after June 6, 1932, are subject to two estate taxes—the basic tax under the provisions of the Revenue Act of 1926 plus an additional tax under the Revenue Act of 1932 or 1932 as amended. The rates and exemptions shown in this table are for determining the additional estate tax. The total tax is the amount determined under the basic rate plus the difference between the basic and the additional tax.

<sup>24</sup> This exemption and the exemption of \$100,000 under the basic tax are allowed only to resident decedents and citizens. The Revenue Act of 1942 provided for an exemption of \$2,000 in the case of estates of nonresidents not citizens under the additional tax.

<sup>25</sup> The \$40,000 exemption replaces the former \$40,000 exemption and \$40,000 life insurance exclusion. Under the 1942 act, the exclusion for life insurance was eliminated. Rates shown are those for determining the additional tax; the minimum and maximum rates for determining the basic tax are 1% and 20%, respectively.

<sup>26</sup> In the case of a decedent dying after the enactment of the Revenue Act of 1940 (June 25, 1940) and prior to the effective date of the Revenue Act of 1941 (Sept. 21, 1941), there shall be added to the net tax (after deductions of the credits for gift taxes and State death taxes) computed at the above rates, 10% of the amount of such net tax, as a defense tax.

<sup>27</sup> Allowed but once and may be taken all in 1 year or over a period of years at the option of the donor.

<sup>28</sup> Except gifts of future interests and gifts in trust.

<sup>29</sup> Except gifts of future interests. Applicable to gifts made after the end of the calendar year 1942.

<sup>30</sup> A defense tax of 10% of the gift tax computed at the above rates is applicable to gifts made in the calendar year 1940 (determined by proration), and to gifts made in the calendar year 1941.

## Federal taxes of the United States, 1939 through 1944—Continued

Title of tax	In effect Dec. 31, 1939		Revenue Act of—			
	Year enacted	Rates	1940	1941	1942	1943
TOBACCO TAXES <sup>41</sup>						
Cigarettes:						
Weighing not more than 3 lbs. per M.	1919.	\$3 per M.	\$3.25 per M. <sup>42</sup>	No change. <sup>43</sup>	\$3.50 per M.	No change. <sup>44</sup>
Weighing more than 3 lbs. per M., and not more than 6½ inches in length.	1919.	\$7.20 per M.	\$7.80 per M. <sup>42</sup>	No change. <sup>43</sup>	\$8.40 per M.	No change. <sup>44</sup>
Weighing more than 3 lbs. per M., and more than 6½ inches in length. <sup>45</sup>	1934.	\$3 per M.	\$3.25 per M. <sup>42</sup>	No change. <sup>43</sup>	\$3.50 per M.	No change. <sup>44</sup>
Cigarette papers:						
Package of 26-50 sheets.	1917.	1¢ <sup>46</sup>	No change.	No change.	No change.	No change.
Per additional 50 sheets or fraction thereof.	1919.	½¢	No change.	No change.	No change.	No change.
Cigarette tubes, per 50 or fraction thereof.	1919.	1¢.	No change.	No change.	No change.	No change.
Cigars:						
Weighing not more than 3 lbs. per M.	1926.	75¢ per M.	No change.	No change.	No change.	No change. <sup>44</sup>
Weighing more than 3 lbs. per M., retailing at: <sup>46</sup>						
Not more than 21¢ each.	1926.	\$2 per M.	No change.	No change.	\$2.50 per M.	No change. <sup>44</sup>
More than 21¢ and not more than 4¢.	1926.	\$2 per M.	No change.	No change.	\$3 per M.	No change. <sup>44</sup>
More than 4¢ and not more than 5¢.	1926.	\$2 per M.	No change.	No change.	\$4 per M.	No change. <sup>44</sup>
More than 5¢ and not more than 6¢.	1926.	\$3 per M.	No change.	No change.	\$4 per M.	No change. <sup>44</sup>
More than 6¢ and not more than 8¢.	1926.	\$3 per M.	No change.	No change.	\$7 per M.	No change. <sup>44</sup>
More than 8¢ and not more than 15¢.	1926.	\$5 per M.	No change.	No change.	\$10 per M.	No change. <sup>44</sup>
More than 15¢ and not more than 20¢.	1926.	\$10.50 per M.	No change.	No change.	\$15 per M.	No change. <sup>44</sup>
More than 20¢ each.	1926.	\$13.50 per M.	No change.	No change.	\$20 per M.	No change. <sup>44</sup>
Leaf tobacco, penalty tax on leaf tobacco sold, removed or shipped by dealers in leaf tobacco in violation of law.	1919.	18¢ per lb.	No change.	No change.	No change.	No change.
Tobacco and snuff.	1919.	18¢ per lb.	No change.	No change.	No change.	No change. <sup>44</sup>

Floor stocks tax on cigarettes.....				25¢ per M small; 60¢ per M large.		25¢ per M small; 60¢ per M large. Rates equal to tax rate increases.	
Floor stocks tax on cigars.....							
LIQUOR TAXES <sup>a</sup>							
Distilled spirits, except brandy <sup>b</sup> .....	1933	\$2.25 per proof gal. or wine gal. if below proof.		\$3 per proof gal. or wine gal. if below proof. <sup>c</sup>	\$4 per proof gal. or wine gal. if below proof.	\$6 per proof gal. or wine gal. if below proof.	\$9 per proof gal. or wine gal. if below proof. <sup>d</sup>
Brandy <sup>e</sup> .....	1934	\$2 per proof gal. or wine gal. if below proof.		\$2.75 per proof gal. or wine gal. if below proof. <sup>c</sup>	\$4 per proof gal. or wine gal. if below proof.	\$6 per proof gal. or wine gal. if below proof.	\$9 per proof gal. or wine gal. if below proof. <sup>d</sup>
Nonbeverage distilled spirits, not denatured (after payment of drawback).	1938	\$2.25 per proof gal.		\$3 per proof gal. <sup>c</sup>	\$4 per proof gal.	\$2.25 per proof gal. <sup>h</sup>	\$3 per proof gal. <sup>h</sup>
Fermented malt liquors containing 1/2 of 1% or more of alcohol by volume.	1934	\$5 per bbl		\$6 per bbl. <sup>c</sup>	No change <sup>h</sup>	\$7 per bbl	\$8 per bbl. <sup>h</sup>
Still wine containing following percentages of absolute alcohol by volume:							
Not more than 14%.....	1936	5¢ per wine gal.		6¢ per wine gal. <sup>31</sup>	8¢ per wine gal.	10¢ per wine gal.	15¢ per wine gal. <sup>49</sup>
More than 14 but not more than 21%.....	1936	10¢ per wine gal.		18¢ per wine gal. <sup>31</sup>	30¢ per wine gal.	40¢ per wine gal.	60¢ per wine gal. <sup>49</sup>
More than 21 but not more than 24%.....	1936	20¢ per wine gal.		30¢ per wine gal. <sup>31</sup>	65¢ per wine gal.	\$1 per wine gal.	\$2 per wine gal. <sup>49</sup>
More than 24%.....	1938	\$2.25 per proof gal. or wine gal. if below proof, if containing distilled spirits other than brandy; or \$2 per proof gal. or wine gal. if below proof, if brandy only is contained therein.		\$3 per proof gal. or wine gal. if below proof, if containing distilled spirits other than brandy; or \$2.75 per proof gal. or wine gal. if below proof, if brandy only is contained therein. <sup>31</sup>	\$4 per proof gal. or wine gal. if below proof.	\$6 per proof gal. or wine gal. if below proof.	\$9 per proof gal. or wine gal. if below proof. <sup>49</sup>

<sup>a</sup> With the exception of the penalty tax on leaf tobacco, and the taxes on dealers and manufacturers, the tobacco taxes apply to products manufactured or imported into the United States and sold or removed for consumption or sale.

<sup>b</sup> Defense tax for 5 years, effective July 1, 1940, through June 30, 1945, in lieu of tax under prior law.

<sup>c</sup> Defense tax rate made permanent.

<sup>d</sup> Exports to territories of the United States for use of members of the armed forces exempted until the termination of hostilities by Public Law 14, approved Mar. 23, 1943.

<sup>e</sup> Counting each 2 1/2 inches (or fraction thereof) of the length of each as one cigarette.

<sup>f</sup> The retail price classes were changed by the Revenue Act of 1942.

<sup>g</sup> With the exception of the taxes on fermented malt liquors, spirits used in fortification of wines and rectification of distilled spirits and wines, the liquor excise taxes apply to products imported into the United States as well as to domestic products.

<sup>h</sup> Brandy taxed at same rate as other distilled spirits by the Revenue Act of 1941 and subsequent revenue acts.

<sup>i</sup> War tax rate in lieu of tax under prior law, applicable until the first day of the first month which begins 6 months or more after the termination of hostilities.

<sup>j</sup> Nonbeverage distilled spirits taxed when withdrawn at same rate as distilled spirits. Drawback of part of tax permitted beginning Nov. 1, 1942, if spirits used for certain purposes and manufacturer pays an annual tax of \$25 for withdrawals of not more than 25 proof gallons, \$50 for withdrawals of not more than 50 proof gallons, \$100 for withdrawals of more than 50 proof gallons.

<sup>k</sup> Defense tax for 5 years, effective July 1, 1940, through June 30, 1945, in lieu of following rates imposed by Public No. 655, approved June 24, 1940: On still wine containing the following percentages of absolute alcohol by volume: Not over 14%, 5¢ per wine gallon; over 14% but not over 21%, 15¢ per wine gallon; over 21% but not over 24%, 25¢ per wine gallon; over 24%, taxed as distilled spirits; artificially carbonated wine, 1/4¢ on each one-half pint or fraction thereof; champagne or sparkling wine, 2/4¢ on each one-half pint or fraction thereof.

## Federal taxes of the United States, 1939 through 1944—Continued

Title of tax	Revenue Act of—				
	In effect Dec. 31, 1939	1940	1941	1942	1943
Year enacted	Rates	1940	1941	1942	1943
<b>LIQUOR TAXES <sup>a</sup>—Continued</b>					
Artificially carbonated wine					
Liquors, cordials, or similar compounds	1936 1936	1936 1936	1936 1936	1936 1936	1936 1936
Champagne or sparkling wine	1936	1936	1936	1936	1936
Grapenap; citrusfruit, peach, cherry, berry, apricot, apple, prune, plum, and pear brandy, or wine spirits withdrawn and used in fortification of wines.	1936	1936	1936	1936	1936
Rectification tax, distilled spirits and wines.	1919	1919	1919	1919	1919
Bay rum or any article containing alcohol imported from Puerto Rico for consumption.	1938	1938	1938	1938	1938
Perfume, imported, containing distilled spirits.	1918	1918	1918	1918	1918
Special (occupational) taxes: Distilled spirits or wine: Wholesale dealers.	In effect, Dec. 31, 1913.	In effect, Dec. 31, 1913.	In effect, Dec. 31, 1913.	In effect, Dec. 31, 1913.	In effect, Dec. 31, 1913.
Retail dealers <sup>b</sup> .	1934.	1934.	1934.	1934.	1934.
Fermented malt liquors: Brewers according to production, per brewery.	In effect, Dec. 31, 1913.	In effect, Dec. 31, 1913.	In effect, Dec. 31, 1913.	In effect, Dec. 31, 1913.	In effect, Dec. 31, 1913.
Wholesalers.	1934.	1934.	1934.	1934.	1934.
Retailers <sup>b</sup> .	1934.	1934.	1934.	1934.	1934.
Rectifiers, according to production.	In effect, Dec. 31, 1913.	In effect, Dec. 31, 1913.	In effect, Dec. 31, 1913.	In effect, Dec. 31, 1913.	In effect, Dec. 31, 1913.
Manufacturers of stills.	In effect, Dec. 31, 1913.	In effect, Dec. 31, 1913.	In effect, Dec. 31, 1913.	In effect, Dec. 31, 1913.	In effect, Dec. 31, 1913.
Stills or worms manufactured for distilling spirits.	In effect, Dec. 31, 1913.	In effect, Dec. 31, 1913.	In effect, Dec. 31, 1913.	In effect, Dec. 31, 1913.	In effect, Dec. 31, 1913.
Stamp taxes on distilled spirits: Container stamps, distilled spirits in containers upon which all internal revenue taxes have been paid.	1934.	1934.	1934.	1934.	1934.

Export stamps, distilled spirits intended for export.	In effect Dec. 31, 1913.	10¢ per package	No change.	No change.	No change.	No change.
Floor stocks taxes:						
Distilled spirits, except brandy. <sup>48</sup>			75¢ per proof gal. <sup>44</sup>	\$1 per proof gal.	\$2 per proof gal.	\$3 per proof gal.
Brandy. <sup>48</sup>			75¢ per proof gal. <sup>44</sup>	\$1.25 per proof gal.	\$2 per proof gal.	\$3 per proof gal.
Fermented malt liquors.			\$1 per bbl. <sup>45</sup>		\$1 per bbl.	\$1 per bbl.
Still wine containing the following percentages of absolute alcohol by volume:						
Not more than 14%.				2½ per wine gal.	2½ per wine gal.	5¢ per wine gal.
More than 14 but not more than 21%.				12¢ per wine gal.	10¢ per wine gal.	20¢ per wine gal.
More than 21 but not more than 24%.				35¢ per wine gal.	35¢ per wine gal.	\$1 per wine gal.
Artificially carbonated wine.				2¢ per half pint.	1½¢ per half pint.	5¢ per half pint.
Liquors, cordials, or similar compounds.				2¢ per half pint.	1½¢ per half pint.	5¢ per half pint.
Champagne or sparkling wine.				4¢ per half pint.	3¢ per half pint.	5¢ per half pint.
STAMP TAXES						
Documentary:						
Conveyances (deed, instrument, or writing conveying realty).	1932	Value: \$100.01-\$500. 50¢; each additional \$500 or fraction, 50¢.	Value: \$100.01-\$500. 55¢; each additional \$500 or fraction, 55¢. <sup>42</sup>	No change. <sup>47</sup>	No change.	No change.
Foreign insurance policies.	1919	3¢ per dollar or fraction of premium.	4¢ per dollar or fraction of premium. <sup>42</sup>	No change. <sup>47</sup>	No change.	No change.
Life, sickness, and accident policies, annuity contracts.						
Reinsurance policies.						
Issues of bonds, debentures, certificates of indebtedness, etc.	1932	10¢ per \$100 face value or fraction thereof.	11¢ per \$100 face value or fraction thereof. <sup>42</sup>	No change. <sup>47</sup>	No change.	No change.

<sup>42</sup> See p. 467.<sup>43</sup> Eliminated by Public No. 655, approved June 24, 1940.<sup>44</sup> Retailers of wines or malt liquors, to members, guests, or patrons at fairs, dances, picnics, etc., shall pay a tax for each calendar month in which such sales are made in lieu of the regular tax, provided that the person or organization retailing the wine or malt liquor is not otherwise engaged in business as a dealer in wine or malt liquors. Prior to the Revenue Act of 1940, the rate was \$2 per month. Under the Revenue Act of 1940, the rate was increased to \$2.20 per month.<sup>45</sup> Tax does not apply to 100 wine gallons of the retail stocks of distilled spirits held by any person on premises as to which such person has incurred occupational tax as a retail dealer in liquors for the period beginning on July 1, 1940, and as to which no other occupational tax with respect to dealing in distilled spirits has been incurred by such person for a period beginning on July 1, 1940.<sup>46</sup> Tax does not apply to retail stocks of fermented malt liquors held by a person on premises as to which such person has incurred occupational tax as a dealer in liquors or a retail dealer in malt liquors for the period beginning on July 1, 1940, and as to which no other occupational tax with respect to dealing in distilled spirits, wines, or malt liquors has been incurred by such person for a period beginning on July 1, 1940.<sup>47</sup> Tax made permanent by eliminating expiration date of July 1, 1945.<sup>48</sup> See p. 467.<sup>49</sup> See p. 467.<sup>50</sup> See p. 467.

## Federal taxes of the United States, 1939 through 1944—Continued

Title of tax	In effect Dec. 31, 1939		Revenue Act of—			
	Year enacted	Rates	1940	1941	1942	1943
<b>STAMP TAXES—Continued</b>						
<b>Documentary—Continued.</b>						
Issues of capital stock	1932	10¢ per \$100 par or face value or if without par or face value: (a) if actual value is less than \$100, 2¢ on each \$20 or fraction; (b) if actual value is over \$100, 10¢ on each \$100 or fraction.	11¢ per \$100 par or face value or if without par or face value: (a) if actual value is less than \$100, 3¢ on each \$20 or fraction; (b) if actual value is over \$100, 11¢ on each \$100 or fraction. <sup>42</sup>	No change. <sup>43</sup> <sup>46</sup>	No change.	No change.
Transfers of bonds	1932	4¢ per \$100 of face value.	5¢ per \$100 of face value. <sup>42</sup>	No change. <sup>43</sup> <sup>46</sup>	No change.	No change.
Transfers of capital stock	1932	4¢ per \$100 par or face value or fraction; or if without par or face value, 4¢ per share. However, if selling price is \$20 or over, whether with or without par or face value, rate is 5¢ instead of 4¢.	5¢ per \$100 par or face value or fraction; or if without par or face value, 5¢ per share. However, if selling price is \$20 or over, whether with or without par or face value, rate is 6¢ instead of 5¢. <sup>42</sup>	No change. <sup>43</sup> <sup>46</sup>	No change.	No change.
Other:						
Passage tickets over \$10 sold for passage by vessel to a foreign port. <sup>47</sup>	1917	Costing: \$10.01-\$30, \$1; \$30.01-\$60, \$3; over \$60, \$5.	Costing: \$10.01-\$30, \$1.10; \$30.01-\$60, \$3.30; over \$60, \$5.30. <sup>42</sup>	No change. <sup>43</sup>	No change.	No change.
Playing cards	1924	10¢ per package of not more than 54.	11¢ per package of not more than 54. <sup>42</sup>	13¢ per package of not more than 54.	No change.	No change. <sup>48</sup>
Silver bullion sales or transfers.	1934	50% of amount by which the selling price exceeds cost plus allowed expenses.	No change.	No change.	No change.	No change.
<b>MISCELLANEOUS TAXES</b>						
Admissions:						
Admissions, general	1932	1¢ for every 10¢ or fraction thereof if 41¢ or more. <sup>49</sup>	1¢ for every 10¢ or fraction thereof if 21¢ or more.	1¢ for each 10¢ or fraction thereof. <sup>50</sup>	No change. <sup>51</sup>	1¢ for each 5¢ or major fraction thereof. <sup>49</sup>
Admissions sold by proprietor in excess of established price.	1919	50% of excess.	No change.	No change.	No change.	No change.



Leases of boxes or seats.....	1917.....	10% of amount for which similar accommodations are sold.	11% of amount for which similar accommodations are sold. <sup>42</sup>	No change. <sup>43</sup>	No change.	20% of amount for which similar accommodations are sold. <sup>49</sup>
Roof gardens, cabarets, etc.....	1919.....	1½¢ for each 10¢ or fraction thereof of amount taxable. <sup>42</sup>	2¢ per each 10¢ or fraction thereof of amount taxable. <sup>42</sup>	5% of amounts paid for admission, refreshment, service, and merchandise.	No change.	30% of amounts paid for admission, refreshment, services and merchandise. <sup>43</sup>
Ticket broker sales at prices in excess of regular or established price.	1932.....	10% of excess.	11% of excess. <sup>42</sup>	No change. <sup>43</sup>	No change.	20% of excess. <sup>49</sup>
Adulterated and processed butter:						
Adulterated butter.....	In effect Dec. 31, 1913.	10¢ per pound.	No change.	No change.	No change.	No change.
Manufacturers.....	In effect Dec. 31, 1913.	\$600 per year.	No change.	No change.	No change.	No change.
Retailers.....	In effect Dec. 31, 1913.	\$48 per year.	No change.	No change.	No change.	No change.
Wholesalers.....	In effect Dec. 31, 1913.	\$480 per year.	No change.	No change.	No change.	No change.
Processed butter:						
Processed butter.....	In effect Dec. 31, 1913.	¼¢ per pound.	No change.	No change.	No change.	No change.
Manufacturers.....	In effect Dec. 31, 1913.	\$50 per year.	No change.	No change.	No change.	No change.
Alaskan railroads.	1914.....	1% of gross annual income.	No change.	No change.	No change.	No change.
Automobiles, etc.:						
Automobile bodies.....	1932.....	3% of manufacturer's sale price.	3½% of manufacturer's sale price. <sup>42</sup>	7% of manufacturer's sale price. <sup>44</sup>	No change.	No change. <sup>45</sup>
Automobile chassis.....	1932.....	3% of manufacturer's sale price.	3½% of manufacturer's sale price. <sup>42</sup>	7% of manufacturer's sale price. <sup>44</sup>	No change.	No change. <sup>45</sup>

<sup>42</sup> See p. 467.<sup>43</sup> Except for passage to Canada, Mexico, Cuba, or Puerto Rico.<sup>44</sup> Exports to a possession of the United States, or to a territory of the United States during the duration of the present hostilities if for use of members of the armed forces, exempt.<sup>45</sup> Persons admitted free or at reduced rates (except employees, municipal officers on official business, and children under 12 years of age) subject to tax based on the admission charge made to other persons for similar accommodations. The tax on tickets to any spoken play sold at the ticket office of theaters at reduced rates is based upon the price for which sold.<sup>46</sup> Admissions to affairs for the benefit of religious, educational, and charitable organizations and all other nonprofit organizations made taxable. Members of the armed forces of the United States or Civilian Conservation Corps when in uniform subject to tax based on actual admission charge if admitted at reduced rate (see footnote 59). No tax payable on admission charges for children under 12 years of age if the amount paid is less than 10¢. Provision for exemption of admissions of \$3 or less, effective July 1, 1945, repealed.<sup>47</sup> Admission charges to activities operated on military areas by the War and Navy Departments, exempt effective Oct. 1, 1941, by Public Law 676, approved July 23, 1942. The same law also provided that members of the armed forces of the United Nations when in uniform should be subject to tax on the basis of the actual admission charge if admitted at reduced rate (see footnotes 59 and 60).<sup>48</sup> Amount taxable is the amount of admission charge, which is deemed to be 20% of the total paid for refreshments, services and merchandise. Where amount paid for admission is 50¢ or less, no tax shall be paid.<sup>49</sup> Effective July 1, 1944, rate was lowered to 20% by Public Law 333, approved June 9, 1944.<sup>50</sup> Tax on automobiles and trucks, parts and accessories, tires and inner tubes made permanent by eliminating expiration date of July 31, 1945.<sup>51</sup> See p. 473.<sup>46</sup> See p. 467.<sup>45</sup> See p. 469.

## Federal taxes of the United States, 1939 through 1944—Continued

Title of tax	Revenue Act of—				
	In effect Dec. 31, 1939	1940	1941	1942	1943
Year enacted	Rates	1940	1941	1942	1943
<b>MISCELLANEOUS TAXES—Con.</b>					
Automobiles, etc.—Continued.					
Automobile truck bodies					
Automobile truck chassis					
Automobiles, use of <sup>65</sup>					
Motorcycles					
Parts and accessories					
Tires and tubes:					
Inner tubes					
Rubber tires					
Floor stocks tax on tires					
Floor stocks tax on tubes					
Tractors <sup>65</sup>					
Bank circulation, etc., taxes:					
Circulation of Federal Reserve Bank notes.	In effect Dec. 31, 1913.	No change	No change	No change	No change.
Circulation of national bank notes:					
Notes secured by 2% bonds.	In effect Dec. 31, 1913.	No change	No change	No change	No change.
Other notes.	In effect Dec. 31, 1913.	No change	No change	No change	No change.
Circulation other than of national banks: <sup>69</sup>					
On average circulation outstanding:					
Entire circulation.	In effect Dec. 31, 1913.	No change	No change	No change	No change.
Circulation exceeding 90% of capital.	In effect Dec. 31, 1913.	No change	No change	No change	No change.
Circulation paid out	In effect Dec. 31, 1913.	No change	No change	No change	No change.

Earnings of Federal intermediate credit banks.	1937.	25% of net earnings remaining after provision for expenses, losses, and reserve requirements for the fiscal year.	No change.	No change.	No change.	No change.
Boats, use of <sup>61</sup> —overall length: 16 feet but not over 28 feet.						No change.
Over 28 feet but not over 50 feet.					\$5 per year.	No change.
Over 50 feet but not over 100 feet.					\$10 per year.	No change.
Over 100 feet but not over 150 feet.					\$40 per year.	No change.
Over 150 feet but not over 200 feet.					\$100 per year.	No change.
Over 200 feet.					\$150 per year.	No change.
Business and store machines.					\$200 per year.	No change.
Bowling alleys, billiard and pool tables.					10% of manufacturer's sale price.	No change. <sup>62</sup>
Canal Zone taxes.	1916.	Ad valorem taxes (not to exceed 1% of the value of the property), excise and franchise taxes (not to exceed 2% of gross earnings).	No change.		\$10 per year per unit.	\$20 per year per unit. <sup>63</sup>
Coin operated machines:					No change.	No change.
Amusement devices:						
Gambling devices.					\$10 per year per machine. <sup>64</sup>	No change.
					\$50 per year per machine.	No change.

<sup>61</sup> See p. 467.

<sup>62</sup> See p. 467.

<sup>63</sup> See p. 471.

<sup>64</sup> Exemption of sales to the Federal Government repealed as of June 1, 1944, with respect to the manufacturers' (Chapter 29, Internal Revenue Code) and retailers' excises (Chapter 19, Internal Revenue Code), and the excises on pistols and revolvers, firearms, shells and cartridges, firearms, shells and cartridges, and radios, phonographs, phonograph records and musical instruments, and transportation of persons and property. In the case of sales of pistols and revolvers, firearms, shells and cartridges, and radios, phonographs, phonograph records and musical instruments, the exemption is repealed as of the first day of the first month which begins 6 months or more after the date of the termination of hostilities. The Secretary of the Treasury may authorize exemption of sale to the Federal Government from any of the above-mentioned taxes if he determines that the imposition will cause substantial burden or expense which can be avoided by granting tax exemption and that the full benefit of such exemption will accrue to the United States. The discretionary power of the Secretary shall not be applicable to any contract entered into on or after the first day of the first month which begins 6 months or more after the date of the termination of hostilities.

<sup>65</sup> Automobile busses taxed at same rate as trucks. Previously taxed at the higher rate applicable to passenger automobiles.

<sup>66</sup> If in any year the first use of the motor vehicle or boat is after July 31, the tax is reckoned proportionately from the first day of the month in which such use occurs to and including the 30th day of June following.

<sup>67</sup> Tax applies only to tractors of the kind used chiefly for highway transportation in combination with a trailer or semi-trailer.

<sup>68</sup> Outstanding circulation exempt from taxation (1) whenever such circulation of any bank, association, corporation, company or person is reduced to not over 50% of the chartered or declared capital existing at the time the same was issued; (2) whenever any bank which has ceased to issue notes for circulation deposits in the Treasury of the United States, in lawful money; the amount of its outstanding circulation, to be redeemed at par and (3) whenever any bank is insolvent or bankrupt.

<sup>69</sup> Cash registers of the type used in over-the-counter retail sales exempt.

<sup>70</sup> Billiard tables or pool tables in a hospital, if no charge is made for use of such table, exempt from tax beginning July 1, 1944.

<sup>71</sup> Includes "pin ball" and similar amusement devices.

<sup>72</sup> Includes any coin-operated amusement or music machine and vending machines operated by a 1¢ coin with provision for merchandise prizes of not more than 5¢ retail value.

## Federal taxes of the United States, 1939 through 1944—Continued

Title of tax	Revenue Act of —				
	In effect Dec. 31, 1939	1940	1941	1942	1943
Year enacted	Rates	1940	1941	1942	1943
<b>MISCELLANEOUS TAXES—Con.</b>					
Cotton futures, contracts of sale of cotton for future delivery, which do not conform with regulations of Secretary of Agriculture.	2¢ per lb.	No change.	No change.	No change.	No change.
Dues and initiation fees.	10% of amount paid. <sup>41</sup>	11% of amount paid. <sup>42</sup>	No change. <sup>43 75</sup>	No change.	20% of amount paid. <sup>40</sup>
Electrical energy for domestic or commercial consumption.	3% of sale price.	3½% of sale price. <sup>42</sup>	No change. <sup>44 50</sup>	No change.	No change. <sup>45</sup>
Electric, gas, and oil appliances.			10% of manufacturer's sale price.	No change.	No change. <sup>46 70</sup>
Electric light bulbs and tubes.			5% of manufacturer's sale price.	No change.	20% of manufacturer's sale price. <sup>40 85</sup>
Electric signs.			10% of manufacturer's sale price.	Repealed Nov. 1, 1942.	
Filled cheese:					
Domestic.	1¢ per pound.	No change.	No change.	No change.	No change.
Imported.	8¢ per pound in addition to import duties.	No change.	No change.	No change.	No change.
Manufacturers, per factory.	\$400 per year.	No change.	No change.	No change.	No change.
Retail dealers.	\$12 per year.	No change.	No change.	No change.	No change.
Wholesale dealers.	\$250 per year.	No change.	No change.	No change.	No change.
Firearms, shells, cartridges <sup>77</sup> .	10% of manufacturer's sale price.	11% of manufacturer's sale price. <sup>42</sup>	No change. <sup>43</sup>	No change.	No change. <sup>45</sup>
Firearms (machine guns and short-barrelled firearms): <sup>78</sup>					
Dealers.	\$200 per year.	No change.	No change.	No change.	No change. <sup>47</sup>
Importers or manufacturers.	\$500 per year.	No change.	No change.	No change.	No change.
Pawnbrokers.	\$300 per year.	No change.	No change.	No change.	No change.
Transfer of firearms.	\$200 per firearm.	No change.	No change.	No change.	No change.
Fur articles (of which fur is component of chief value).			10% of retail sale price.	No change.	20% of retail sale price. <sup>46 85 79</sup>
Gasoline and other motor fuels.	14 per gal.	1½¢ per gal. <sup>44</sup>	No change. <sup>43 50</sup>	No change.	No change. <sup>45</sup>
Immigration head tax.	\$8 per person, 16 years or over.	No change.	No change.	No change.	No change.
Imports of:					
Coal, coke, etc. <sup>40</sup>	10¢ per 100 pounds.	No change.	No change. <sup>46</sup>	No change.	No change.

Copper and copper concentrates: Articles containing 4% or more of copper by weight.	1932	No change.	No change. <sup>48</sup>	No change.	No change.
Articles in which copper is chief value.	1932	No change.	No change. <sup>49</sup>	No change.	No change.
Copper-bearing ores and concentrates and articles specified in Tariff Act of 1930.	1932	No change.	No change. <sup>50</sup>	No change.	No change.
Crude petroleum, fuel oil, gas oil, and liquid derivatives (except gasoline and lubricating oils).	1932	No change.	No change. <sup>51</sup>	No change.	No change.
Gasoline and other motor fuel.	1932	No change.	No change. <sup>52</sup>	No change.	No change.
Hempseed.	1938	No change.	No change. <sup>53</sup>	No change.	No change.
Lubricating oils.	1932	No change.	No change. <sup>54</sup>	No change.	No change.
Lumber. <sup>55</sup>	1932	No change.	No change. <sup>56</sup>	No change.	No change.
Oils: <sup>57</sup>					
Sunflower, rapeseed, sesame, kapok, hempseed and perilla oils, etc. <sup>58</sup>	1936	No change.	No change.	No change.	No change.

<sup>48</sup> See p. 467.

<sup>49</sup> In the case of (1) dues, if the dues of active resident annual members exceed \$25 per year, not including initiation fees.

<sup>50</sup> See p. 467.

<sup>51</sup> In the case of (1) dues, if the dues of active resident annual members exceed \$25 per year, (2) initiation fees, if such fees exceed \$10 per year, or if the dues of active resident annual members exceed \$10 per year, not including initiation fees.

<sup>52</sup> See p. 473.

<sup>53</sup> In the case of (1) dues, if the dues of active resident annual members exceed \$10 per year, (2) initiation fees, if such fees exceed \$10, or if the dues of active resident annual members exceed \$10 per year, not including initiation fees.

<sup>54</sup> See p. 467.

<sup>55</sup> Household type electric vacuum cleaners exempt.

<sup>56</sup> See p. 467.

<sup>57</sup> Excludes pistols and revolvers and certain firearms on which a tax has been paid under sec. 2720 of the Internal Revenue Code (see footnote 78).

<sup>58</sup> See p. 467.

<sup>59</sup> Firearms are defined to include shotguns and rifles with barrels of less than 18 inches in length, other guns capable of being concealed (except pistols and revolvers), machine guns, and mufflers and silencers. The law provides that: In the case of manufacturers and dealers in guns with two attached barrels from which only a single discharge can be made from either barrel without manual reloading, the tax shall be \$25 per year for manufacturers and \$1 per year for dealers; and the transfer tax on such guns, the barrels of which are 12 inches or more in length, shall be at the rate of \$1.

<sup>60</sup> See p. 467.

<sup>61</sup> For articles made from pelts furnished by a customer, when the article is for use of and not for resale by such a customer, taxable upon the fair retail market value as determined by the Commissioner.

<sup>62</sup> See p. 467.

<sup>63</sup> Applies only on imports from a country during the preceding calendar year exceeded exports to it.

<sup>64</sup> See p. 467.

<sup>65</sup> Flooring of maple, birch, and beech, and Northern white pine, and Western white spruce is exempt.

<sup>66</sup> See p. 467.

<sup>67</sup> The rate was reduced to \$1.50 per M feet under the trade agreement with Canada effective Jan. 1, 1936. This rate applies also to imports of lumber from other countries having trade agreements with the United States. Lumber imported from Cuba is taxed at the rate of \$1.20 per M feet in accordance with treaty provisions granting products from Cuba a rate 20% below that granted products from any other country having a trade agreement with the United States.

<sup>68</sup> See p. 467.

<sup>69</sup> Tax does not apply to any article, merchandise, or combination if any coconut oil or derivative thereof produced in Guam or American Samoa is contained therein.

<sup>70</sup> See p. 467.

<sup>71</sup> Tax does not apply to rapeseed oil imported for use in the manufacture of rubber substitutes or lubricating oil.

## Federal taxes of the United States, 1939 through 1944—Continued

Title of tax	In effect Dec. 31, 1939		Revenue Act of—			
	Year enacted	Rates	1940	1941	1942	1943
MISCELLANEOUS TAXES—Con. Imports of—Continued. Oils <sup>82</sup> —Continued. Whale oil (except sperm oil), fish oil (except cod oil, cod liver oil, and halibut liver oil), marine animal oil or any combination of the foregoing, etc. <sup>83</sup>	1934	3¢ per lb.	No change.	No change.	No change.	No change.
Paraffin and other petroleum wax products.	1932	1¢ per lb.	No change.	No change. <sup>54</sup>	No change.	No change.
Perilla seed.	1938	1.38¢ per lb.	No change.	No change.	No change.	No change.
Rapeseed, kapok seed.	1936	2¢ per lb.	No change.	No change.	No change.	No change.
Sesame seed.	1938	1.18¢ per lb.	No change.	No change.	No change. <sup>55</sup>	No change.
Jewelry.				10% of retail sale price <sup>56</sup>	No change.	20% of retail sale price. <sup>49 53 54</sup>
Leases of safe deposit boxes.	1932	10% of amount collected.	11% of amount collect- ed. <sup>42</sup>	20% of amount collected.	No change.	No change.
Lubricating oils, domestic.	1932	4¢ per gal.	4 <sup>1</sup> / <sub>3</sub> ¢ per gallon <sup>42</sup>	No change. <sup>43 56</sup>	6¢ per gallon.	No change. <sup>45</sup>
Luggage.				10% of manufacturer's sale price.	No change.	20% of retail sale price. <sup>49 43 51</sup>
Matches: Matches, in general.	In effect Dec.	2¢ per 100.	No change.	2¢ per M.	No change.	No change. <sup>43</sup>
White phosphorous.	31, 1913.			No change.	No change.	No change.
Wood, fancy.	1934	5¢ per M.	5 <sup>1</sup> / <sub>2</sub> ¢ per M. <sup>42</sup>	No change. <sup>43</sup>	No change.	No change. <sup>43</sup>
Floor stocks tax on matches (except fancy wooden matches) held and intended for sale together with other articles. <sup>50</sup>				2¢ per M.		
Mixed flour <sup>51</sup> .	In effect Dec. 31, 1913.	4¢ per bbl.	No change.	No change.	Repealed Nov. 1, 1942.	
Mixed flour, manufacturers, packers, or re-packers.	In effect Dec. 31, 1913.	\$12 per year.	No change.	No change.	Repealed Nov. 1, 1942.	
Musical instruments.				10% of manufacturer's sale price.	No change.	No change. <sup>52</sup>
Narcotics: Marihuana: Importers, manufacturers, and compounders.	1937	\$24 per year.	No change.	No change.	No change.	No change.

Persons engaged in laboratory research.	1937.	\$1 per year.	No change.	No change.	No change.
Persons, other than practitioners, who deal in, dispense, or give away.	1937.	\$3 per year.	No change.	No change.	No change.
Practitioners.	1937.	\$1 per year.	No change.	No change.	No change.
Producers.	1937.	\$1 per year.	No change.	No change.	No change.
Transfers of:					
To any person who has paid the special tax as indicated above.	1937.	\$1 per oz. or fraction thereof on each transfer.	No change.	No change.	No change.
To any person who has not paid the special tax as indicated above.	1937.	\$100 per oz. or fraction thereof on each transfer.	No change.	No change.	No change.
Opium:					
Importers, manufacturers, and compounders.	1919.	\$24 per year.	No change.	No change.	No change.
Opium, coca leaves, etc.	1919.	1¢ per ounce.	No change.	No change.	No change.
Opium manufactured for smoking purposes.	1914.	\$300 per lb.	No change.	No change.	No change.
Persons engaged in laboratory research.	1936.	\$1 per year.	No change.	No change.	No change.
Persons not otherwise taxed, dispensing preparations of limited narcotic content.	1914.	\$1 per year.	No change.	No change.	No change.
Practitioners.	1926.	\$1 per year.	No change.	No change.	No change.
Retail dealers.	1928.	\$3 per year.	No change.	No change.	No change.
Wholesale dealers.	1919.	\$12 per year.	No change.	No change.	No change.
Oils, first domestic processing:					
Coconut <sup>62</sup> .	1934.	3¢ per lb. <sup>63</sup> .	No change.	No change.	No change.
Palm <sup>64</sup> .	1934.	3¢ per lb.	No change.	No change.	No change.
Palm kernel.	1934.	3¢ per lb.	No change.	No change.	No change.

<sup>62</sup> See p. 467.

<sup>63</sup> See p. 467.

<sup>64</sup> See p. 467.

<sup>65</sup> No whale oil (except sperm oil), fish oil, or marine animal oil of any kind may enter tax-free unless such oil was produced on vessels of the United States or in the United States or its possessions, from whale, fish, or marine animals or parts thereof taken and captured by vessels of the United States.

<sup>66</sup> Tax does not apply to any article used for religious purposes, to surgical instruments, or to frames or mountings for spectacles or eyeglasses, or to a fountain pen if the only parts of the pen which consist of precious metals are essential parts not used for ornamental purposes.

<sup>67</sup> Additional exemptions: Watches designed especially for use by the blind, smokers' pipes if the only parts which consist of precious metals are essential parts not used for ornamental purposes, and buttons, insignia, cap devices, chin straps, and other devices prescribed for use in connection with the uniforms of the armed forces of the United States.

<sup>68</sup> Silver-plated flatware exempt.

<sup>69</sup> Tax extended to cover purses, handbags, wallets, billfolds and similar articles.

<sup>70</sup> Tax does not apply to retail stocks held at the place where intended to be sold, nor to matches held for sale by the manufacturer or importer thereof.

<sup>71</sup> A barrel contains more than 98 pounds but not more than 24½ pounds. The tax on smaller amounts of mixed flour is as follows: 2¢ per half barrel containing more than 49 pounds but not more than 98 pounds; 1¢ per quarter barrel containing more than 24½ pounds but not more than 49 pounds; ½¢ per one-eighth barrel containing 24½ pounds or less.

<sup>72</sup> Tax collected on processing of coconut oil from the Philippines paid into the Philippine treasury.

<sup>73</sup> Additional tax of 2¢ per pound if coconut oil is not from the Philippines or other possession of the United States.

<sup>74</sup> Taxes collected with respect to coconut oil wholly of the production of Guam or American Samoa, respectively.

<sup>75</sup> American Samoa, held as separate funds and paid to the treasury of Guam or American Samoa, respectively.

<sup>76</sup> Additional tax of 3¢ per pound suspended for the period from Sept. 17, 1942, to June 30, 1944, by Public Law 711, approved September 16, 1942. (See footnote 93.)

<sup>77</sup> Suspension of additional tax of 2¢ per pound extended to June 30, 1946, by Public Law 390, approved June 30, 1941. (See footnotes 93 and 95.)

<sup>78</sup> Tax does not apply to palm oil used in the manufacture of tin plate, tinned plate, or any subsequent use of palm oil residue resulting from the manufacture of tin plate or tinned plate.

<sup>79</sup> Palm oil used in the manufacture of iron or steel products exempt.

## Federal taxes of the United States, 1939 through 1944—Continued

Title of tax	In effect Dec. 31, 1939		1940	Revenue Act of—		
	Year enacted	Rates		1941	1942	1943
MISCELLANEOUS TAXES—Con.						
Oleomargarine:						
Colored.....	In effect Dec. 31, 1913.	10¢ per lb.....	No change.....	No change.....	No change.....	No change. <sup>60</sup>
Uncolored.....	In effect Dec. 31, 1913.	1½¢ per lb.....	No change.....	No change.....	No change.....	No change. <sup>60</sup>
Imported.....	In effect Dec. 31, 1913.	15¢ per lb. in addition to import duties.	No change.....	No change.....	No change.....	No change. <sup>60</sup>
Manufacturers.....	In effect Dec. 31, 1913.	\$600 per year.....	No change.....	No change.....	No change.....	No change. <sup>60</sup>
Retailers of colored oleomargarine.	In effect Dec. 31, 1913.	\$48 per year.....	No change.....	No change.....	No change.....	No change. <sup>60</sup>
Retailers of uncolored oleomargarine.	In effect Dec. 31, 1913.	\$6 per year.....	No change.....	No change.....	No change.....	No change. <sup>60</sup>
Wholesalers of colored oleomargarine.	In effect Dec. 31, 1913.	\$180 per year.....	No change.....	No change.....	No change.....	No change. <sup>60</sup>
Wholesalers of uncolored oleomargarine.	In effect Dec. 31, 1913.	\$200 per year.....	No change.....	No change.....	No change.....	No change. <sup>60</sup>
Optical equipment.....				10% of manufacturer's sale price. <sup>61</sup>	Repealed Nov. 1, 1942.....	No change. <sup>65</sup>
Photographs and phonograph records.				10% of manufacturer's sale price.	No change.....	No change. <sup>65</sup>
Photographic apparatus.....				10% of manufacturer's sale price.	25% of manufacturer's sale price. <sup>69</sup>	No change. <sup>65</sup>
Photographic film and plates, unexposed.				10% of manufacturer's sale price.	15% of manufacturer's sale price. <sup>70</sup>	No change. <sup>65</sup>
Pistols and revolvers.....	1929.	10% of manufacturer's sale price. <sup>71</sup>	11% of manufacturer's sale price. <sup>72</sup>	No change. <sup>73</sup>	No change.....	No change. <sup>65</sup>
Radio and radio accessories.....	1932.	5% of manufacturer's sale price.	5½% of manufacturer's sale price. <sup>74</sup>	10% of manufacturer's sale price. <sup>75 76</sup>	No change.....	No change. <sup>65</sup>
Refrigerating equipment:	1932.	5% of manufacturer's sale price.	5½% of manufacturer's sale price. <sup>77</sup>	10% of manufacturer's sale price. <sup>78</sup>	No change.....	No change. <sup>65</sup>
Refrigerators, mechanical household type.				10% of manufacturer's sale price.	Repealed Nov. 1, 1942.....	No change. <sup>65</sup>
Commercial refrigerating equipment.				10% of manufacturer's sale price.	No change.....	No change. <sup>65</sup>
Air conditioning units, self-contained.				10% of manufacturer's sale price.	Repealed Nov. 1, 1942.....	No change. <sup>65</sup>
Rubber articles, where rubber is chief component by weight. <sup>79</sup>				10% of manufacturer's sale price.	No change.....	No change. <sup>65</sup>
Sporting goods.....				10% of manufacturer's sale price.	No change.....	No change. <sup>65</sup>



Telephone, telegraph, radio messages, etc.; air cable and radio messages: Domestic.....	1932.....	10¢ per message.....	No change.....	10% of amount charged. <sup>48</sup>	15% of amount charged.....	25% of amount charged. <sup>48, 49</sup>
International.....	1932.....	10¢ per message.....	No change.....	10% of amount charged. <sup>50</sup>	No change.....	No change. <sup>49</sup>
Leased wires.....	1932.....	5% of amount charged.....	No change.....	10% of amount charged. <sup>50</sup>	15% of amount charged.....	25% of amount charged. <sup>49, 50</sup>
Local telephone service.....				6% of amount charged.....	10% of amount charged.....	15% of amount charged. <sup>49, 50</sup>
Telegraph messages: Domestic.....	1932.....	5% of amount charged.....	No change.....	10% of amount charged. <sup>50</sup>	15% of amount charged.....	25% of amount charged. <sup>49, 50</sup>
International.....	1932.....	5% of amount charged.....	No change.....	10% of amount charged. <sup>50</sup>	No change.....	No change. <sup>49</sup>
Telephone toll service.....	1932.....	10¢ if charge is 50¢-99¢; 15¢ if charge is \$1-\$1.99; 20¢ if charge is \$2 or more.	No change.....	5¢ for each 50¢ or fraction thereof if charge is more than 24¢. <sup>50</sup>	20% if charge is more than 24¢.	25% if charge is more than 24¢. <sup>49, 50</sup>
Wire and equipment service.....	1932.....	5% of amount charged.....	No change.....	No change. <sup>50</sup>	No change.....	8% of amount charged. <sup>49, 50</sup>
Toilet preparations.....	1932.....	10% of manufacturer's sale price.	11% of manufacturer's sale price.	10% of retail sale price.	No change. <sup>49</sup>	20% of retail sale price. <sup>49, 50</sup>
Tonnage tax, entry of vessel from foreign port. <sup>101</sup>	In effect Dec. 31, 1913.	2¢ to \$2 as provided by law.	No change.....	No change.....	No change.....	No change.
Transfers to avoid income tax. <sup>102</sup>	1932.....	25% of the excess of (1) the value of the stock or securities transferred over; (2) its adjusted basis in the hands of the transferor as determined under section 113 of the Revenue Act of 1932.	27.5% of the excess of (1) the value of the stock or securities transferred over; (2) its adjusted basis in the hands of the transferor as determined under section 113 of the Revenue Act of 1932. <sup>42</sup>	No change. <sup>43</sup>	No change.....	No change.
Transportation: Oil by pipe line.....	1932.....	4% of amount paid for transportation. <sup>106</sup>	4 <sup>1</sup> / <sub>2</sub> % of amount paid for transportation. <sup>42, 107</sup>	No change. <sup>43, 50</sup>	No change. <sup>108</sup>	No change.

<sup>42</sup> See p. 467.

<sup>43</sup> See D. 467.

19 See N.

56 See n. 40.

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value of complete radio,

- 100 Basis of tax changed from value of specified component parts of radios to value of complete radio.
- 101 Tax not applicable to footwear, articles designed especially for hospital or surgical use, or articles taxable under other provisions of Chapter 29 of the Internal Revenue Code
- 102 No tax is imposed upon any payment received from any person for services utilized in collection of news for public press or radio broadcasting, or in the dissemination of news through the public press or by means of radio broadcasting if the charge for such services is billed to such person.

ed a sale at retail.  
secs 122-126, 130)

<sup>103</sup> The tax is imposed upon the transfer of stock or securities by a citizen or resident of the United States, or by a domestic corporation, partnership, or trust to a foreign corporation as paid-in surplus or as a contribution to capital, or to a foreign partnership or trust.

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## Federal taxes of the United States, 1939 through 1944—Continued

Title of tax	In effect Dec. 31, 1939		Revenue Act of—			
	Year enacted	Rates	1940	1941	1942	1943
<b>MISCELLANEOUS TAXES—Con.</b>						
<b>Transportation—Continued.</b>						
Persons by rail, motor vehicle, water, or air.						
Property by rail, motor vehicle, water, or air.						
Seating or sleeping accommodations.						
Washing machines of commercial type used in laundries.						
Bituminous coal:						
Excise tax on sale of bituminous coal produced within the United States.	1937	1¢ per ton of 2,000 lbs.	No change.	No change.	No change.	(13).
Additional excise tax on sale of bituminous coal produced within the United States.	1937	Applicable to producers not members of Bituminous Coal Code: (a) 19½% of sale price at mine, if sold at mine, (b) 19½% of fair market value at time of sale, if not sold at mine or through an arm's length transaction. <sup>113</sup>	No change.	No change.	No change.	(13).
<b>Sugar:</b>						
Sugar taxes:						
Excise tax on manufacture of sugar in the United States:						
Testing 92 sugar degrees and for each additional sugar degree.	1937	0.465¢ per lb., 0.00875¢ per lb. additional, and fractions of a degree in proportion.	No change.	No change.	No change.	No change. <sup>114</sup>
Testing less than 92 sugar degrees.	1937	0.5144¢ per lb. of total sugars therein.	No change.	No change.	No change.	No change. <sup>114</sup>
Import compensating tax:						
All manufactured sugar testing 92 sugar degrees and for each additional sugar degree.	1937	0.465¢ per lb., 0.00875¢ per lb. additional, and fractions of a degree in proportion.	No change.	No change.	No change.	No change. <sup>114</sup>

All manufactured sugar testing less than 92 sugar degrees.	1937.	0.514¢ per lb. of total sugars therein.	No change.	No change.	No change. <sup>114</sup>
All articles composed in chief value of manufactured sugar.	1937.	0.514¢ per lb. of total sugars therein.	No change.	No change.	No change. <sup>114</sup>
SOCIAL SECURITY ACT OF 1935, AS AMENDED					
Taxes with respect to employment by others than carriers:					
Income tax on employees based on wages received. <sup>115 116</sup>	1939.	Calendar years: 1939-42—1%; 1943-45—2%; 1946-48—2½%; 1949 and thereafter—3%.	No change.	No change.	Calendar years: 1939-44—1%; 1945-2%; 1946-48—2½%; 1949 and thereafter—3%. <sup>117</sup>
Excise tax on employers based on wages paid. <sup>115 116</sup>	1939.	Calendar years: 1939-42—1%; 1943-45—2%; 1946-48—2½%; 1949 and thereafter—3%.	No change.	No change.	Calendar years: 1939-44—1%; 1945-2%; 1946-48—2½%; 1949 and thereafter—3%. <sup>117</sup>
Tax on employers of 8 or more based on wages paid. <sup>115 118</sup>	1935.	3%.	No change.	No change.	No change.
CARRIERS TAXING ACT, 1937					
Taxes with respect to employment by carriers:					
Income tax on employees based on compensation earned. <sup>119</sup>	1937.	Calendar years: 1937-39—3%; 1940-42—3%; 1943-45—3½%; 1946-48—3½%; 1949 and thereafter—3½%.	No change.	No change.	No change.

<sup>110</sup> See p. 467.<sup>111</sup> No tax is imposed on amounts paid for: transportation for which the charge does not exceed 35¢; commutation or season ticket for single trips of less than 30 miles, commutation tickets for one month or less. Payments for round-trip tickets at tariffs of not more than 1.4¢ per mile by members of the armed forces of the United States in uniform and traveling at their own expense when on official leave are exempt.<sup>112</sup> Exemption for special rate furlough tickets extended to members of the armed forces of any of the United Nations. (See footnote 109.)<sup>113</sup> The tax on transportation of property does not apply to the transportation of coal with respect to which there has been a previous taxable transportation.<sup>114</sup> Expired Aug. 23, 1943.<sup>115</sup> The Commissioner of Internal Revenue shall determine the fair market value thereof. Such fair market value shall equal the current market price at the mine of coal of a comparable kind, quality, and size produced for market in the locality where the coal so disposed of is produced.<sup>116</sup> Effective date extended from June 30, 1945, to June 30, 1947, by Public Law 345, approved June 20, 1944.<sup>117</sup> "Wages" do not include remuneration to an individual in excess of \$3,000 in a calendar year.<sup>118</sup> The tax is imposed by the Federal Insurance Contributions Act (embodied in Social Security Act Amendments of 1939) which superseded Title VIII of the Social Security Act of 1935.<sup>119</sup> Changes were enacted in Public Law 211, Dec. 22, 1943, and in Revenue Act of 1943.<sup>120</sup> The tax is imposed by the Federal Unemployment Tax Act (embodied in Social Security Act Amendments of 1939) which superseded Title IX of the Social Security Act of 1935. A credit up to 90% of the tax is allowed for contributions paid into an unemployment fund under a State law.<sup>121</sup> "Compensation" does not include remuneration to an individual in excess of \$300 in a calendar month.

## Federal taxes of the United States, 1939 through 1944—Continued

Title of tax	In effect Dec. 31, 1939		Revenue Act of—			
	Year enacted	Rates	1940	1941	1942	1943
CARRIERS TAXING ACT, 1937— Continued						
Taxes with respect to employ- ment by carriers—Con.						
Income tax on representatives of employees based on com- pensation earned. <sup>119</sup>	1937	Calendar years: 1937-39— 54.2%; 1940-42—6%; 1943- 45—61.6%; 1946-48—7%; 1949 and thereafter— 71.5%.	No change.	No change.	No change.	No change.
Excise tax on employers based on compensation paid. <sup>119</sup>	1937	Calendar years: 1937-39— 24.0%; 1940-42—3%; 1943- 45—34.0%; 1946-48— 34.5%; 1949 and there- after—34.5%.	No change.	No change.	No change.	No change.
RAILROAD UNEMPLOYMENT IN- SURANCE ACT, 1938						
Excise tax on employers (car- riers) based on compensation payable. <sup>119</sup>	1938	3%.	No change.	No change.	No change.	No change.
Income tax on representatives of employees of carriers, based on compensation received. <sup>119</sup>	1938	3%.	No change.	No change.	No change.	No change.

<sup>119</sup> See p. 481.

## Federal Taxes of the United States, 1939 through 1944—Continued

## SUPPLEMENT A.—PERSONAL EXEMPTIONS, TAX BASE, AND RATES APPLICABLE TO NONRESIDENT ALIEN INDIVIDUALS

Federal tax law	Income year	Personal exemption <sup>1</sup>	Tax base	Withholding rate (percent)
Internal Revenue Code.....	1939	\$1,000	Fixed or determinable annual or periodical gains, profits, and income from sources within the United States.	10
Internal Revenue Code as amended by—				
Revenue Act of—				
1940.....	1940	800	do	2 16½
1941.....	1941	750	do	27½
1942, 1943 and Individual Income Tax Act of 1944.	1942—	500	do	30

NOTE.—Nonresident aliens engaged in trade or business within the United States are taxed at the same rates as residents of the United States. Nonresident aliens not engaged in trade or business within the United States, who derive not more than \$21,600 in 1939, \$24,000 in 1940, \$23,000 in 1941, and \$15,400 in 1942 and subsequent years from fixed and determinable annual or periodical gains, profits, and income from sources within the United States are subject to the rates shown in the table, withheld at source on the gross amount of such income without personal exemption or credit for dependents. By treaty agreement with a contiguous country (Canada or Mexico) for 1939 through 1940, and with any country in North, Central, or South America, the West Indies, or Newfoundland for 1941 and subsequent years, these rates may be reduced to not less than 5%. Under treaty agreements the rates applicable to residents of Canada are 5% for 1939 and 1940, and 15% for 1941 through 1944. Salary or other compensation for personal services of a resident of Canada or Mexico who enters and leaves the United States at frequent intervals is not subject to the withholding rates shown in the table, but for 1943 such income is subject to Victory tax (treaty) who report more than the above specified amounts of gross income are liable to normal tax and surtax on such income after deductions applicable thereto and the personal exemption shown in the table. The total tax, however, shall in no case be less than the withholding rate shown in the table. In addition, such nonresident aliens are subject to the 10% defense tax applicable to the taxable year 1940, and the Victory tax applicable to the taxable year 1943.

<sup>1</sup> Whether nonresident alien is single, married or head of a family, except that for 1942 and subsequent years residents of Canada or Mexico are allowed the same exemption as a citizen of the United States. Credit for dependents allowed only to residents of Canada or Mexico.

<sup>2</sup> Includes 10% defense tax.

<sup>3</sup> As provided by the Revenue Act of 1943, on or after March 6, 1944, the rate of withholding on the compensation for services performed by a nonresident alien individual, or by a citizen of a possession of the United States not otherwise a citizen of the United States, brought into the United States under authority of the War Manpower Commission for temporary employment essential to the war effort shall be at the reduced rate of 10% on the gross amount of compensation derived from labor or personal services by such an individual.

## Federal Taxes of the United States, 1939 through 1944—Continued

## SUPPLEMENT B.—TAX TREATMENT OF GAINS AND LOSSES FROM SALE OR EXCHANGE OF CAPITAL ASSETS

## PART I. UNDER INDIVIDUAL INCOME TAX

Federal tax law	Income year	Assets by period held	Provisions with respect to—			Loss offsets, limitations, and carry-overs
			Percent of gain or loss taken into account in computing net income	Tax on net gain taken into account		
Revenue Act of 1938 and Internal Revenue Code.	1938 through 1941	Short-term: Not more than 18 months.	100	Net short-term gain fully taxable at normal and surtax rates. In 1940 defense tax also applied.		Short-term loss allowed only to the extent of short-term gain. Loss disallowed in one year (to an amount not in excess of net income) carried forward and applied against net short-term gain of the succeeding year.
		Long-term: More than 18 months but not more than 24 months. More than 24 months.	66 <sup>2</sup> / <sub>3</sub> 50	Net long-term gain either included with other income subject to normal and surtax rates or segregated and taxed at 30%, whichever method results in the lesser tax. In 1940 defense tax also applied.		Long-term loss allowed against long-term gain. Net long-term loss either deducted from other income (including net short-term gain) or 30% of net loss credited against tax on other income, whichever method results in the greater tax. No long-term loss carry-over.
Internal Revenue Code as amended by Revenue Act of 1942.	1942—	Short-term: Not more than 6 months.	100	Net short-term gain (reduced by net long-term loss taken into account) fully taxable at normal and surtax rates.		Short-term loss combined with long-term loss taken into account allowed to the extent of (1) short-term gain, (2) long-term gain taken into account, and (3) other income up to \$1,000. Balance of combined short- and long-term net loss carried forward for 5 years as short-term loss. The amount of the net capital loss carry-over may not be included in computing a new capital loss of a taxable year which can be carried forward to the next 5 succeeding taxable years.
		Long-term: More than 6 months.	50	Net long-term gain (reduced by net short-term loss) other included with other income subject to normal and surtax rates or segregated and taxed at 50%, whichever method results in the lesser tax.		

## PART II. UNDER CORPORATION INCOME AND EXCESS-PROFITS TAXES

Revenue Acts of 1934 through 1938 and Internal Revenue Code, amended by Revenue Acts of:	1934 through 1939—	No differentiation between short-term and long-term.	100	Net gain included with other income subject to full income tax rates.	Capital loss allowed only to the extent of \$2,000 plus capital gain. No carry-over.
1939 and 1940.	1940 and 1941	Short-term: Not more than 18 months. Long-term: More than 18 months.	100	Net short-term gain included with other income and fully subject to both income and excess-profits tax.  Net long-term gain included with other income subject to income tax only. <sup>2</sup>	Short-term loss allowed only to the extent of short-term gain, under both income and excess-profits tax. Loss disallowed in one year (to an amount not in excess of net income) carried forward and applied against net short-term gain of the succeeding year. Long-term loss allowed against long-term gain and all other income (including net short-term gain) under income tax. Not allowed under excess-profits tax. No long-term loss carry-over.
1942	1942—	Short-term: Not more than 6 months. Long-term: 1 More than 6 months.	100	Net short-term gain (reduced by net long-term loss) subject to income tax. Net short-term gain (without such reduction) subject to excess-profits tax. Net long-term gain (reduced by net short-term loss) taxable at maximum rate of 25% under income tax. Net profits tax. Net long-term gain not subject to excess-profit tax.	For income tax, short-term loss allowed only to the extent of short-term gain and net long-term gain. For excess-profits tax, short-term loss allowed only to the extent of short-term gain. For carry-over see below. For income tax, long-term loss allowed only to the extent of long-term gain and net short-term gain. For excess-profits tax, long-term loss not allowed. Net capital loss (excess of short-term and long-term capital losses over short-term and long-term capital gains) may be carried over as a short-term capital loss for five years. The amount of the net capital loss carry-over may not be included in computing a new capital loss of a taxable year which can be carried forward to the next five succeeding taxable years.

<sup>1</sup> For treatment of property used in trade or business and certain involuntary conversions, see secs. 117 (j) and 117 (k) of Internal Revenue Code, as amended by Revenue Acts of 1942 and 1943.

<sup>2</sup> Net gain from sale or exchange of depreciable property held more than 18 months, as well as net long-term capital gain, was excluded in 1940 and 1941 from excess-profits tax net income by a special provision which was discontinued with the enactment in 1942 of sec. 117 (j) which had in general the same effect on long-term holdings. Under the Revenue Act of 1942 (sec. 208) involuntary conversions of such property were also excluded retroactively from excess-profits net income for 1940 and 1941.

*Federal taxes of the United States, 1939 through 1944—Continued*

SUPPLEMENT C.—FEDERAL TAX RATES ON SPECIAL CLASSES OF CORPORATIONS UNDER THE REVENUE ACTS OF 1939 THROUGH 1943

	Revenue Act of—				
	1939	1940 (second)	1941	1942	1943
Regulated investment companies: <sup>1</sup>					
On Supplement Q net income.....	18%	24% <sup>2</sup>	24% First \$25,000—6%, Balance—7%.	No change. 16%.....	No change. No change.
On Supplement Q surtax net income.....				25%.....	No change.
On undistributed capital gains (excess of net long-term capital gain over the sum of net short-term capital loss and capital gains dividends paid).		Exempt	No change	No change	No change.
Status under the excess-profits tax.....		No change	No change	No change	No change.
Western Hemisphere trade corporations:					
Normal tax.....	Same as other corporations.		Same as other corporations.	Exempt.	No change.
Surtax.....			No change	No change	No change.
Excess-profits tax.....		Exempt <sup>3</sup>	No change	No change	No change.
Resident foreign corporations: <sup>4</sup>					
Normal tax.....	18%	24% <sup>2</sup>	24% Same as other corporations.	No change	No change.
Surtax.....		Same as other corporations.	No change	No change	No change.
Excess-profits tax.....					
Nonresident foreign corporations: <sup>4</sup>					
Normal tax.....	15% <sup>5</sup>	16½% <sup>2</sup>	27½% Exempt	30% No change.	No change. No change.
Surtax.....		Exempt	No change	No change	No change.
Excess-profits tax.....					

<sup>1</sup> The provisions of Supplement Q prior to the enactment of the Revenue Act of 1942 were applicable to mutual investment companies.

<sup>2</sup> Including defense tax.

<sup>3</sup> Under the general provisions of sec. 727 (g), Internal Revenue Code.

<sup>4</sup> Taxation of foreign corporations may be subject to treaty provisions.

<sup>5</sup> Unchanged. Dividends received, however, were taxed at 10%.



## ORGANIZATION AND PROCEDURE

## Exhibit 54

*Supervision of bureaus, offices, and divisions of the Treasury Department*

[Department Circular No. 244. Chief Clerk]

TREASURY DEPARTMENT,  
Washington, July 15, 1943.

1. The following assignments of bureaus, offices, and divisions of the Treasury Department are hereby ordered.

The Under Secretary of the Treasury:

1. Bureau of the Comptroller of the Currency.
2. Director of Research and Statistics:
  - (a) Division of Research and Statistics.

Fiscal Assistant Secretary of the Treasury:

1. The Finances.
2. Bureau of Accounts:
  - (a) Division of Bookkeeping and Warrants.
  - (b) Division of Disbursement.
  - (c) Division of Deposits.
  - (d) Section of Surety Bonds.
3. Bureau of the Public Debt:
  - (a) Division of Loans and Currency.
  - (b) Office of the Register of the Treasury.
  - (c) Division of Public Debt Accounts and Audit.
  - (d) Division of Paper Custody.
  - (e) Division of Savings Bonds.
4. Office of the Treasurer of the United States.
5. Bureau of Engraving and Printing.
6. Bureau of the Mint.

Assistant Secretary in Charge of Customs, Narcotics, and Secret Service:

1. Bureau of Customs.
2. Bureau of Narcotics.
3. Secret Service Division.

Assistant Secretary in Charge of Internal Revenue and Procurement:

1. Bureau of Internal Revenue.
2. Procurement Division.

General Counsel for the Treasury:

1. Legal Division.
2. Director of Tax Research:
  - (a) Division of Tax Research.
3. Office of the Tax Legislative Counsel.

Assistant to the Secretary:

1. Director of Monetary Research:
  - (a) Division of Monetary Research:
    - (a-1) Management of Stabilization Fund.

Assistant to the Secretary:

1. Foreign Funds Control Unit. (See paragraph 2 below.)

Assistant to the Secretary: (See paragraph 3 below.)

1. War Finance Division.

Administrative Assistant to the Secretary:

1. Chief Clerk of the Department.
2. Director of Personnel:
  - (a) Division of Personnel.
3. Secretary's Correspondence Division.
4. Office of Superintendent of Treasury Buildings.

2. The General Counsel for the Treasury as Acting Secretary of the Treasury shall have general supervision over foreign funds control.

3. The Assistant to the Secretary charged with supervision over the War Finance Division, under the operating title of National Director (Treasury Department Order No. 50, of June 25, 1943), will report to the Secretary through the Under Secretary.

4. The Administrative Assistant to the Secretary will act as Budget Officer of the Treasury, and is authorized to act, for and by direction of the Secretary of the Treasury, in any branch of the Department.

5. In case of the absence or sickness of the Secretary, the Under Secretary will act as Secretary of the Treasury. In case of the absence or sickness of the Secretary and the Under Secretary, the Fiscal Assistant Secretary will act as Secretary. In case of the absence or sickness of the Secretary, the Under Secretary and the Fiscal Assistant Secretary, the senior Assistant Secretary present will act as Secretary. In case of the absence or sickness of the Secretary, the Under Secretary, the Fiscal Assistant Secretary and the other Assistant Secretaries, the General Counsel for the Department will act as Secretary.

6. In the event of a vacancy in the office of Fiscal Assistant Secretary, the Under Secretary will act as Fiscal Assistant Secretary and perform all duties and functions assigned to that office hereunder.

7. In case of the absence or sickness of the Fiscal Assistant Secretary, the Under Secretary will act as Fiscal Assistant Secretary. In the case of the absence or sickness of both the Under Secretary and the Fiscal Assistant Secretary, the Senior Assistant Secretary present will act as Fiscal Assistant Secretary.

8. This circular supersedes Treasury Department Circular No. 244, dated June 28, 1940, and all subsequent changes arising since June 28, 1940.

H. MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

### Exhibit 55

#### *Orders relating to organization and procedure in the Treasury Department*

TREASURY DEPARTMENT ORDER NO. 51, APRIL 6, 1944

Effective from and after this date, the Director of Tax Research and the Tax Legislative Counsel will report to the Secretary through the Under Secretary.

H. MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

TREASURY DEPARTMENT ORDER NO. 52, APRIL 15, 1944

Foreign Funds Control will continue to operate under the supervision of Mr. Orvis A. Schmidt as Acting Director.<sup>1</sup> Mr. Schmidt will report to the General Counsel.

Matters requiring approval of the Secretary will be referred to the Under Secretary or the Assistant Secretaries for appropriate action.

H. MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

TREASURY DEPARTMENT ORDER NO. 53, JUNE 7, 1944

Effective from and after this date, the Procurement Division is assigned to the supervision of Mr. Ernest L. Olrich, Assistant to the Secretary.

Treasury Department Order No. 49, dated May 27, 1943, is revoked and superseded by this order.

H. MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

DESIGNATION OF THE BUDGET OFFICER OF THE TREASURY DEPARTMENT,  
APRIL 19, 1944

*April 19, 1944.*

MR. CHARLES R. SCHOENEMAN,  
*Technical Assistant to the Secretary.*

SIR: You are hereby designated as Budget Officer of the Treasury Department, under the provisions of Section 214 of the Budget and Accounting Act, 1921, which provides as follows:

"(a) The head of each department and establishment shall designate an official thereof as budget officer therefor, who, in each year under his direction and on or before a date fixed by him, shall prepare the departmental estimates.

<sup>1</sup> The appointment of Mr. John W. Pehle, Director of Foreign Funds Control, as permanent Director of the War Refugee Board was approved by the President on March 24, 1944.

"(b) Such budget officer shall also prepare, under the direction of the head of the department or establishment, such supplemental and deficiency estimates as may be required for its work."

Very truly yours,

HENRY MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

### Exhibit 56

*Time and leave regulations, departmental and field services, February 12, 1944*

[Department Circular No. 733. <sup>1</sup> Chief Clerk]

TREASURY DEPARTMENT,  
Washington, February 12, 1944.

*To the Officers and Employees of the Treasury Department:*

#### ANNUAL AND SICK LEAVE OF ABSENCE

Executive Order No. 9414, dated January 13, 1944, prescribing "Regulations Relating to Annual and Sick Leave of Government Employees", is hereby promulgated for the information of all concerned:

"By virtue of and pursuant to the authority vested in me by section 7 of the act of March 14, 1936, entitled 'An Act to provide for vacations to Government employees, and for other purposes' (49 Stat. 1161), as amended by the act of December 17, 1942 (c. 737, 56 Stat. 1052), and by section 7 of the act of March 14, 1936, entitled 'An Act to standardize sick leave and extend it to all civilian employees' (49 Stat. 1162), as amended by the act of March 2, 1940, entitled 'An Act to amend the Annual and Sick Leave Acts of March 14, 1936' (54 Stat. 38), I hereby prescribe the following regulations governing the granting of annual and sick leave to civilian officers and employees of the United States, the District of Columbia, and all corporations included within the provisions of the said acts of March 14, 1936, except as provided by Part VI hereof:

#### "PART I. DEFINITIONS

"Section 1.1 As used in these regulations:

"(a) 'Employee' and 'employees' include officer and officers respectively.

"(b) 'Permanent employees' are those appointed without limitation as to length of service or for definite periods in excess of one year, or for the duration of the present war and for six months thereafter.

"(c) 'Temporary employees' are those appointed for definite periods of time not exceeding one year.

"(d) 'Indefinite employees' are those appointed for the 'duration of the job' and those who, although paid only when actually employed, are continuously employed or required to be available for duty for a period of not less than one month, as distinguished from part-time or intermittent employees.

"(e) 'Accumulated leave' means the unused leave remaining to the credit of the employee at the close of any calendar year.

"(f) 'Court leave' means leave for attending court as a witness on behalf of the United States or the Government of the District of Columbia, or for jury duty.

"(g) 'Break in service' means separation from the Federal service for a period of thirty or more calendar days.

"(h) 'Medical certificate' means a written statement signed by a registered practicing physician or other practitioner, certifying to the period of disability of the patient while he was undergoing professional treatment, or to the time of dental or optical treatments, or medical examination.

"(i) 'Month of service' means a period of thirty consecutive calendar days.

"(j) 'Terminal leave' means the period between the last day of duty and the expiration of annual leave.

<sup>1</sup> This circular supersedes all previous circulars regarding Time and Leave Regulations for the departmental and field services.

## "PART II. ANNUAL LEAVE

*"Accrual of annual leave*

"Section 2.1 Annual leave shall be credited to employees as follows:

"(a) Permanent employees shall be credited with leave at the rate of two days per calendar month plus an additional 1/2 day in March, June, September, and December to employees who were continuously employed for the entire quarter-year ending in such months; or, a credit of 26 days may be given at the beginning of the calendar year in which it accrues in lieu of the monthly credit: *Provided*, That should an employee separate from the service before the expiration of the calendar year such credit will be reduced proportionately. The minimum credit for leave shall be the hourly equivalent of 1/2 day and additional credits shall be in multiples thereof.

"(b) Temporary employees shall be credited with leave of 2-1/2 days for each month of service. After the first month of service such leave may be credited at the beginning of the month in which it accrues.

"(c) Indefinite employees shall be credited with leave of two days for each month of service plus an additional 1/2 day when the service aggregates three months.

"Section 2.2 Accumulated annual leave may be carried forward for use in succeeding years until it totals not exceeding 60 days: *Provided*, That during the period of the present emergency 30 days additional leave may be accumulated: *Provided further*, That when accumulated leave equals or exceeds 60 days, further increase in accumulated leave shall be limited to 15 days in any succeeding year.

*"Grant of annual leave*

"Section 2.3 Annual leave shall be granted to an employee on his request at such times as the heads of the departments and agencies may prescribe. Employees during their first year of service shall not be granted leave in excess of the amount accrued to their credit. The minimum charge for annual leave shall be one hour, and additional leave shall be charged in multiples of one hour.

"Section 2.4 An employee who is to be separated from the service shall be entitled to the unused annual leave standing to his credit, and the date of his separation shall be so fixed as to permit him to take such leave, and in no case, whether the separation be voluntary or involuntary, shall the separation become effective on a date prior to the date of termination of such leave: *Provided*, That an employee who elects to forfeit the leave standing to his credit may do so by filing a written notice to such effect.

"Section 2.5 When an employee is absent from duty and in attendance in court as a witness in behalf of the United States or the Government of the District of Columbia, or for jury duty in any State court or court of the United States, the absence from duty shall not be charged against annual leave but should be recorded as 'court leave'.

## "PART III. SICK LEAVE

*"Accrual of sick leave*

"Section 3.1.

"(a) Permanent employees shall be credited with sick leave at the rate of 1 1/4 days per month. The minimum credit for sick leave shall be one hour, and additional credits shall be in multiples thereof.

"(b) Temporary and indefinite employees shall be credited with 1 1/4 days of sick leave for each month of service.

"(c) Sick leave accruing during any month of service shall be available at any time during that or any subsequent month.

"Section 3.2 Unused sick leave shall be cumulative and available for future use: *Provided*, That the balance to the credit of the employee at the end of any month shall not exceed ninety days.

*"Grant of sick leave*

"Section 3.3 Sick leave shall be granted to employees when they are incapacitated for the performance of their duties by sickness, injury, or pregnancy and confinement, or for medical, dental or optical examination or treatment, or when a member of the immediate family of the employee is afflicted with a contagious disease and requires the care and attendance of the employee, or when, through exposure to contagious disease, the presence of the employee at his post of duty would jeopardize the health of others. The minimum charge for sick leave shall be one hour, and additional leave shall be charged in multiples of one hour.

"Section 3.4 An employee who is absent on account of sickness shall notify his supervisor as early as practicable on the first day of such absence, or as soon thereafter as possible. Failure to give such notice may result in the absence being charged to annual leave or leave without pay, as the circumstances may justify. Requests for sick leave for medical, dental, or optical examination or treatment shall be submitted for approval prior to the beginning of the leave.

"Section 3.5 Written application on the prescribed form for grant of sick leave shall be filed within two days after the employee returns to duty. For periods of absence in excess of 3 work days the application must be supported by a medical certificate. Such certificate shall be filed within 15 days after return to duty: *Provided*, That when a medical certificate cannot reasonably be obtained, a certificate of the employee relating the facts incident to the illness may be accepted. All applications for sick leave for medical, dental, or optical examination or treatment shall be supported by a medical certificate.

"Section 3.6 When sickness occurs within a period of annual leave and lasts in excess of 5 work days, the period of illness may be charged as sick leave and the charge against annual leave reduced accordingly. Application for such substitution of sick leave for annual leave shall be made within two days after return to duty and shall be supported by a medical certificate.

"Section 3.7 Sick leave may not be granted for a period immediately following a period of absence in a non-pay status, unless and until there is a return to actual duty, nor may such leave without pay be converted to sick leave.

#### *"Advance of sick leave*

"Section 3.8 In cases of serious disability or ailments, and when the exigencies of the situation so require, sick leave may be advanced to permanent and indefinite employees not in excess of 30 days: *Provided*, That no advances of sick leave shall be made to any employee unless the absence from duty on account of illness is for a period or periods of 5 or more consecutive work days; that every application for advance leave shall be supported by a medical certificate; that the total of such advances shall be charged against sick leave subsequently credited. Sick leave may be advanced irrespective of whether the employee has annual leave to his credit.

"Section 3.9 Sick leave shall not be advanced to an employee holding a limited appointment, or one expiring on a specified date, in excess of the total sick leave that would accrue during the remaining period of such appointment.

#### "PART IV. GENERAL PROVISIONS

##### "Section 4.1.

"(a) Leave shall be credited in units of hours on the basis of the established work day. Fractional parts of an hour that equal or exceed  $\frac{1}{2}$  hour shall be counted as one hour and fractions of less than  $\frac{1}{2}$  shall be disregarded.

"(b) Whenever the number of hours of duty in an employee's work day is permanently changed the leave standing to his credit shall be converted to the proper number of hours based upon the new work day.

"(c) The accumulated leave of each employee, as of December 31, 1943, shall be converted from days-hours-minutes to units of hours. Fractional parts of an hour that equal or exceed  $\frac{1}{2}$  hour shall be counted as one hour and fractions of less than  $\frac{1}{2}$  hour shall be disregarded.

##### "Section 4.2.

"(a) Leave shall accrue to an employee while in a leave-with-pay status providing he returns to duty.

"(b) Annual leave shall not accrue to an employee while on terminal leave, whether by separation, furlough, or resignation. In such cases the accrual of leave shall cease at the close of the last day on which he was present for duty, and the final date of separation shall not be extended by the granting of sick or court leave: *Provided*, That this subsection shall not apply to employees who are on terminal leave on the date of issuance of this order.

"Section 4.3. Whenever a permanent employee is absent on leave without pay 15 or more days during a calendar year, the credits for annual leave shall be reduced one day and for sick leave one-half day for each such period aggregating 15 days. Whenever such absences total 90 days there shall be a further reduction of  $\frac{1}{2}$  day in annual leave credits for each such period: *Provided*, That when an employee absent because of injury received in line of duty requests to be carried on leave-without-pay, he shall, upon his return to duty, receive credit for accrued leave covering the period for which he was paid disability compensation by the Employees' Compensation Commission.

"Section 4.4 Leave shall not accrue during any period of suspension for disciplinary reasons which is in excess of three days.

"Section 4.5 Leave shall be charged only for absence upon days which an employee would otherwise work and receive pay and shall be exclusive of Sundays which do not occur within a regular tour of duty, holidays, and all non-work days established by Federal statute or by Executive or administrative order: *Provided*, That when a holiday is declared by general administrative order to be a work day, an employee who absents himself from work without permission on that day shall be subject to a deduction of one day's pay.

"Section 4.6 Unavoidable or necessary absence from duty not in excess of thirty minutes, and tardiness, shall be handled administratively by excuse for adequate reasons, or by requiring additional work, or by a charge against overtime previously worked beyond regular hours, or by disciplinary action, or by a charge against annual leave.

"Section 4.7 In case of the separation of an employee who is indebted for advance leave, the employee shall refund the amount paid him for the period of such excess, or deduction therefor shall be made from any salary due him. This section shall not apply in cases of death, retirement, or reduction of force, or in case an employee who is not found eligible for retirement is unable to return to duty because of disability, evidence of which shall be supported by an acceptable medical certificate.

"Section 4.8.

"(a) Leave without pay may be granted to an employee for a period not exceeding twelve months regardless of whether he has leave standing to his credit.

"(b) An employee whose active services are terminated as a result of the expiration of a statute in connection with the administration of which he is employed and who at the time of such expiration has not exhausted the leave standing to his credit shall be granted leave without pay or furlough for a maximum period of twelve months.

"Section 4.9 When an employee is appointed, reappointed, or transferred from one permanent position to another permanent position, without a break in service, his leave account shall be disposed of as follows:

"(a) If the position is within the purview of the leave acts of March 14, 1936, the leave account shall be certified to the employing agency for credit or charge to the employee.

"(b) If the position to which he is appointed or transferred is not within the purview of the leave acts of March 14, 1936, the employee shall be furnished with a statement of his leave account and if he is subsequently appointed, reappointed, or transferred to another position within the purview of such acts, the leave shown to be due will be credited to his account.

"Section 4.10.

"(a) When an employee is appointed, reappointed, or transferred without a break in service from a permanent position to a temporary position in the same agency, he shall be credited with such leave as may be due him or charged with any unaccrued leave which may have been advanced.

"(b) When an employee is appointed, reappointed, or transferred without a break in service from a permanent position to a temporary position in a different agency he shall be furnished with a statement of his leave account and if subsequently he is appointed, reappointed, or transferred without a break in service to a permanent position the amount of leave shown to be due shall be credited to his account.

"Section 4.11 Temporary employees who subsequently receive permanent appointments without break in service, either in the same or a different department or agency, shall be credited with such leave as may be due them, or charged with any unaccrued leave which may have been advanced.

#### "PART V. ADMINISTRATION

"Section 5.1 The heads of governing bodies of the various governmental agencies to which this Executive order applies shall be responsible for the proper administration of these regulations so far as they pertain to employees under their respective jurisdictions, and they shall maintain an account of leave for each employee in accordance with the methods prescribed by the Civil Service Commission and approved by the Director of the Bureau of the Budget.

"Section 5.2 The head or governing body of any governmental agency which has employees who work 24-hour shifts, or other uncommon tours of duty, is authorized to promulgate supplemental regulations consistent with these regulations for administering leave for such employees.

"Section 5.3 Nothing in these regulations shall be construed to prevent the continuance of any leave differential existing prior to January 1, 1936, for the benefit of employees of the Federal Government stationed without the continental limits of the United States. However, any department may, if it so desires, apply these regulations to employees stationed without the continental limits of the United States, subject to the continuance of such leave differential.

"PART VI. EMPLOYEES EXCEPTED

"Section 6.1 These regulations shall not apply to:

- "(a) Teachers and librarians of the public schools of the District of Columbia.
- "(b) Officers and employees of the Panama Canal and the Panama Railroad Co., on the Isthmus of Panama.
- "(c) Temporary employees engaged on construction work at hourly rates.
- "(d) The Postmaster General and officers and employees in or under the Post Office Department, except those serving in the departmental service and in the Mail Equipment Shops.
- "(e) Employees not required to be continuously employed during regular tour of duty, such as (1) per diem or per hour employees engaged in an emergency who may be employed for more than one 7- or 8-hour shift within 24 hours during the emergency; (2) part-time or intermittent employees; (3) persons engaged under contract; (4) employees engaged temporarily for less than a month on a piece-price basis; (5) employees who are paid at hourly rates but who are not engaged on construction work, such as mechanics, skilled laborers, and others engaged in various services on maintenance, repair, clean-up work, etc., where employment is more or less intermittent and not on a regular and continuous basis; (6) consultants employed and paid on the basis of 'when actually employed'; and (7) employees paid on a fee basis, such as physicians, surgeons, and other consultants.
- "(f) Alien and native labor employed outside the continental limits of the United States: *Provided*, That the head or governing body of any governmental agency which employs alien and native labor outside the continental limits of the United States may promulgate regulations governing the granting of leave to such employees.

"Section 6.2 The regulations contained herein relating to sick leave shall not apply to officers and members of the Police and Fire Departments of the District of Columbia other than civilian personnel.

"Part VII. Amendments; Effective date; Publication

"Section 7.1 By virtue of the authority vested in me by the First War Powers Act, 1941 (55 Stat. 838), it is hereby ordered that, for the period of the war, the Civil Service Commission is authorized to promulgate amendments to these regulations.

"Section 7.2 This order shall supersede Executive Orders No. 8384 and No. 8385 of March 29, 1940, No. 9307 of March 3, 1943, and No. 9371 of August 24, 1943, and shall be effective as of January 1, 1944.

"Section 7.3 This order shall be published in the Federal Register.

"FRANKLIN D. ROOSEVELT."

THE ABOVE EXECUTIVE ORDER NO. 9414 WILL GOVERN THE GRANTING OF LEAVE TO EMPLOYEES OF THE TREASURY DEPARTMENT, AND THE FOLLOWING REGULATIONS ARE APPLICABLE ALIKE TO DEPARTMENTAL AND FIELD EMPLOYEES, EXCEPT AS OTHERWISE NOTED

ANNUAL LEAVE

Applications for annual leave for more than 2 days must be submitted in advance on the form prescribed therefor. Applications for 2 days or less need not be made on this form, but the absence must be noted on the Daily List of Absentees.

Employees will be charged with the number of days of leave granted on applications unless request is made in writing for cancellation or modification thereof.

Unaccrued leave shall be granted only with the express understanding that if such leave is not later earned during the calendar year the employee will reimburse the Government for the unearned portion.

## FOREIGN SERVICE

Permanent employees stationed in Hawaii, Puerto Rico, Alaska, the Virgin Islands, the Philippine Islands, the Canal Zone, or abroad in countries not contiguous to the Continental United States, will be allowed 30 days' annual leave, exclusive of Sundays and holidays. Such employees who have served continuously 1 year in the Treasury Department and are not leaving the service, may be granted leave at any time during a calendar year not to exceed 30 days, plus such unused leave as may have been accumulated from previous years. Employees in the places named, who have served less than 1 year, may be granted leave at the rate of  $2\frac{1}{2}$  days per month, as earned, for each month of service. The leave of employees in the places named who have been accustomed to living on the mainland of the United States may be cumulative in an amount not exceeding 90 days.

No leave will be charged against a permanent employee who is granted leave under the provisions of the above paragraph who is stationed in Hawaii, Puerto Rico, Alaska, the Virgin Islands, the Philippine Islands, the Canal Zone, or abroad in countries not contiguous to the Continental United States, who has been accustomed to living on the mainland of the United States, for the time necessarily consumed in travel from the employee's station direct to the mainland of the United States and return to his station.

## SICK LEAVE

Referring to Part III, sec. 3.3 of Executive Order No. 9414 above quoted, cases of personal illness or exposure to contagious diseases must be reported at once to the office to which the employee is attached. Proof of negligence or of willful misstatement in reporting such exposure to contagion will be sufficient cause for discipline.

All requests for sick leave on account of enforced absence, due to exposure to a contagious disease, must be supported by a certificate from the attending physician.

The Department will hold employees strictly accountable for the truth of statements appearing in applications for sick leave, and the responsible administrative officer will investigate circumstances coming to his attention which may appear to be inconsistent with such statements. Proof of any willful misstatement or of any attempt of an employee to mislead or deceive official superiors, directly or indirectly, in regard to an application for leave on account of sickness, will be sufficient cause for discipline.

All requests for advanced sick leave shall be accompanied by the employee's statement showing whether or not he was continuously confined to home or hospital and under the immediate care of a registered practicing physician or other practitioner.

*Special leaves of absence to be given disabled veterans in need of medical treatment*

"With respect to medical treatment of disabled veterans who are employed in the executive civil service of the United States, it is hereby ordered that, upon the presentation of an official statement from duly constituted medical authority that medical treatment is required, such annual or sick leave as may be permitted by law and such leave without pay as may be necessary shall be granted by the proper supervisory officer to a disabled veteran in order that the veteran may receive such treatment, all without penalty to his efficiency rating.

"The granting of such leave is contingent upon the veteran's giving prior notice of definite days and hours of absence required for medical treatment in order that arrangements may be made for carrying on the work during his absence". (Executive Order July 17, 1930.)

## LEAVE WITHOUT PAY

Leave without pay shall be granted and charged in multiples of one hour, with a minimum charge of one hour.

If leave without pay on account of illness is applied for, a certificate of the attending physician should be furnished. If no physician was in attendance, the reasons therefor should be given. If leave without pay is requested for any reason other than illness, a statement must be furnished showing the necessity for such leave.

In the departmental service, applications for leave without pay for 30 days or more, for reasons other than illness, must be submitted to the Division of Personnel, together with the recommendation of the head of the bureau, office, or



division, or chief of division, Secretary's Office, or other official authorized to approve leave in the office in which the applicant is employed.

In the field service, all applications for leave without pay for 30 days or more must be submitted on Stock Form 2217 to the head of the service in Washington. These applications will not be sent to the Division of Personnel.

#### COURT LEAVE

##### *Witnesses:*

Employees who are called upon to serve as witnesses for the Government or the District of Columbia in any court proceedings are entitled to their regular compensation while absent from duty, but are not entitled to witness fees for such service. Absence for such purpose shall be recorded as "court leave," and shall not be charged against annual leave.

##### *Jury service:*

The act of June 29, 1940, provides that the compensation of any employee of the United States who may be called upon for jury service in any State court or court of the United States, shall not be diminished during the term of such jury service by reason of such absence (except as hereinafter provided) nor shall such period of service be deducted from the time allowed for any leave of absence authorized by law. Such employees who may be called upon for jury service in any court of the United States shall not receive any compensation for such service. The act further provides that there shall be credited against the amount of compensation payable by the United States to an employee for such period as the employee may be absent on account of jury service in the court of any State any amount which such employee may receive from the State for jury service.

Absence for jury service shall be recorded as "court leave." Applications for such leave shall be granted when supported by a statement from the clerk of the court showing that the employee served on the days specified, and showing the amount of compensation paid for such service.

#### MILITARY LEAVE

(Does not apply to military furlough)

Members of the National Guard may be granted military leave on all days in which they may be engaged in field or coast defense training, ordered or authorized under the act of June 3, 1916, 39 Stat. 203. Members of the Naval Reserve may be granted military leave on all days during which they are employed on training duty for periods not to exceed 15 days in any one calendar year (act of February 28, 1925, 43 Stat. 1089). Members of the Naval Militia may be granted military leave whenever they attend drill, cruises, or other ordered duty of the Naval Militia (act of August 29, 1916, 39 Stat. 594). Members of the Officers' Reserve Corps may be granted military leave on all days during which they shall be ordered to duty with troops or at field exercises, or for instruction, for periods not to exceed 15 days in any one calendar year (Army Appropriation Act of May 12, 1917, 40 Stat. 72). Members of the National Guard of the District of Columbia may be granted military leave whenever they may be called upon to perform service by the commanding general as authorized by section 49 of the act of March 1, 1889, 25 Stat. 779, as amended by the act of February 18, 1909, 35 Stat. 634. Applications for such leave, which shall be in addition to the annual leave, must be made in advance and be subsequently supported by the certificate of a competent officer of the organization of which the employee is a member. Temporary employees will not be granted military leave of absence.

#### ABSENCE WITHOUT AUTHORIZED LEAVE

An employee detained by causes beyond control, and unable to report for duty at the opening hour, must notify the office in which employed to that effect within 2 hours, if practicable, on the first day of absence. Absence from duty for any cause, without prior permission, must be satisfactorily explained, and if not satisfactorily explained, will be cause for deduction in salary or other disciplinary measures.

#### TARDINESS—LATE ARRIVAL—ABSENCE WITHOUT AUTHORITY

Bureaus, offices, and divisions will maintain daily tardy records and will be responsible for seeing that cases of tardiness are kept to a minimum.

Employees who arrive after the opening hour shall be marked "Tardy" unless their reasons are acceptable. If their reasons are acceptable they shall be marked "Excused". Late arrival of 30 minutes or less shall be handled in conformity with sec. 4.6 of Executive Order 9414. Late arrival in excess of 30 minutes shall be charged as annual leave in multiples of one hour, the minimum charge being one hour.

Employees whose reasons for tardiness or late arrival are not acceptable and who are reported tardy 11 times in one calendar year shall be suspended from duty and pay for one day and if tardy 14 times shall be suspended from duty and pay for 3 days. Tardiness beyond 14 times in one calendar year shall be the basis for further disciplinary action or dismissal.

Recommendations for disciplinary action will be made on Form 2249 (fanfold) by the heads of bureaus, offices, and divisions and must be submitted through the usual channels for approval.

#### ADMINISTRATION

Employees must be at their desks or post of duty at the opening hour, and continue on duty until the closing hour. A recess of half an hour for luncheon will be allowed.

#### GENERAL PROVISIONS

*The local field officer* directly responsible to the head of his service in Washington is authorized to grant leave, in accordance with these regulations. The officer in charge will detail an officer or employee to investigate and report the facts in any case of absence without permission.

A record of all classes of leave will be kept by each local field officer on department stock Form 2152. The total leave granted in each calendar year should be noted on department stock Form 2240, which shall be the permanent record. Thereafter the yearly record on department stock Form 2152 may be disposed of.

Only such forms as are now provided by department regulations, or that may hereafter be authorized by the Secretary, will be used for time and leave records. The present department stock forms which may be used are as follows: 2242, Daily List of Absentees; 2217, Application for Leave; 2152, Record of Absence During the Year; 2240, Leave Record During Service; 2243, Monthly Report of Absence; 2243-A, 2243-B.

Willful neglect on the part of any official or employee in charge of a daily time sheet or record to report the absence of any employee will be considered sufficient grounds for discipline.

Heads of bureaus, offices, or divisions, and chiefs of divisions, Secretary's Office, will be held to strict official responsibility for the enforcement of these regulations.

D. W. BELL,  
*Acting Secretary of the Treasury.*

#### MISCELLANEOUS

##### Exhibit 57

*Address by Under Secretary Bell before the Worcester Economic Club, December 16, 1943, on financing the war and post-war readjustment*

I welcome the opportunity to discuss with you this evening the problems of financing the war and the post-war readjustment. It is because we feel that these two problems are so closely tied together that I have chosen to discuss some aspects of each in the same address.

#### WAR FINANCE

It has come to be generally recognized that the real cost of a war must be paid for while it is being fought. This real cost consists in the labor put forth and the sacrifices endured in order to produce and to use the goods of war. Guns cannot be fired until they and their shells have been made, nor can they be fired with time borrowed from tomorrow. The labor and sacrifice involved in these things must be made today and cannot be postponed.

There are, of course, some exceptions to this rule. A war may be fought, in small part, by the use of stocks of goods accumulated before it begins; and, to a

much larger extent, by postponing the replacement of capital goods wearing out during its course. With these exceptions, the whole physical cost of a war must be paid for while it is being fought.

What then, it may be asked, is the role of war borrowing. The answer must be that war borrowing is a method of postponing, not the cost itself, but the final allocation of the total burden of the war to some future date, when the costs now paid for through the sale of bonds are finally assessed in the form of taxes—at which time it is inevitable that a much larger portion of them will be paid by the persons now in the armed forces than if they were assessed today.

When this fact is seen in its stark reality, it is clear that the money cost of the war should be met as far as possible by taxes, and so be paid for once and for all by today's civilians at the same time that the men in the services are paying their much higher price in human cost on the fighting fronts. Exceptions from this rule should be permitted only when clearly justified by special circumstances.

There are a number of these special circumstances, and it is because of them that the Treasury Department has never recommended to Congress that the whole cost of the war should be paid for out of current taxation. But it is these exceptions, and not the general rule, which need special justifications; and I should like to explain to you tonight, not why the Treasury has recommended to Congress additional taxes, which if enacted would only provide sufficient revenue to cover about one-half of total Federal expenditures, but rather why it has not asked for taxes to cover the full cost.

The use of borrowing, to the extent that it is justified by special circumstances, makes for a smoother working of our war economy than would the exclusive use of taxation. What are these circumstances under which borrowing is thus the superior instrument of war finance?

In the first place, the burden of a tax—or of any other compulsory levy, even if it is subsequently reimbursable—must be levied according to fixed rules. These rules can take but little account of individual circumstances. It requires considerable time for many individuals to adjust their living standards and commitments to the new and lower levels which would be dictated by all-out wartime taxation.

While some individuals are revising their living standards downward, other individuals, whose incomes have been increased by the war to levels considerably above those required to meet their former standards of living, are ready and willing to lend a substantial proportion of their increased incomes to the Government in order to insure their future security.

Ultimately, if the war should last long enough, these adjustments might be continued under a steadily increasing burden of taxation until each person's standard of living and financial commitments had become adjusted to his place in the war economy. This is unlikely to occur, except in a very long war; and, in the meantime, a considerable proportion of the total war cost must be borrowed in order to avoid unnecessary disruption in the economy.

In the next place, the magnitude of our war effort is fixed by our full gross product, rather than by our net national income. This means that during war-time replacements and repairs on plant and equipment must be postponed, as far as possible, so that the manpower and materials which they would otherwise have absorbed can be thrown into the war effort. Producers, as well as consumers, are asked by their Government to "Use it up, Wear it out, Make it do, or Do without."

This means that during the war period, the capital assets of most business firms are wearing out more rapidly than they are being replaced, and the depreciation reserves set aside to offset this wear and tear are piling up in cash. At the same time, the accounts receivable of these firms are running down, which results also in piling up cash. These funds are all available to be lent to the Government; but they are not available to be taxed since they represent capital, rather than income, of the firms possessing them, and represent very different proportions of the total capital of different firms, depending upon the type of business. A policy of borrowing these funds, rather than taxing them away, is, therefore, clearly indicated.

In the third place, the great wartime expansion in the economy requires—even at a constant price level—a great increase in the available supply of currency and bank deposits; and this increase, under our existing institutions and under war-time conditions, can be supplied only by an increase in Government borrowing.

Finally, it is necessary that some financial incentive be supplied to individuals to work long hours, and to corporations to operate with the utmost efficiency. If the whole of the extra incomes resulting from the overtime pay of individuals

and the efficient management of business enterprises were taxed away, there would be no economic incentive to call forth these exertions.

The borrowing which is justified entirely by the special considerations which I have just enumerated would have to take place for our wartime economy to operate smoothly, no matter how willing Congress might be to levy additional taxes or the people to bear them. This borrowing alone would amount to a great deal of money by peacetime standards; but it would certainly be much less than the nearly fifty billion dollars a year which we should have to borrow even if the Treasury tax proposals were granted in full.

An additional amount of borrowing—over and above the minimum required on economic grounds—can also be accomplished without danger of inflation to the extent that individuals can be induced, for patriotic reasons, to increase their savings. This the Treasury is endeavoring to do by means of the payroll savings plan and the war loan campaigns.

The volume of total savings required is dictated by the size of the deficit and may differ materially from the sum total of savings which would occur from economic and patriotic motives. At the present time the Federal Government is purchasing about one-half of the total volume of goods and services being produced, while the remaining 50 percent is being purchased for private use. Federal taxes, however, are bringing in only about 20 percent of the gross income generated by production, leaving about 80 percent in private hands. There is, thus, a discrepancy equivalent to about 30 percent of the value of total output which makes up the Federal deficit on the one hand and the corresponding necessary private savings on the other hand.

To the extent that total borrowing exceeds the aggregate amount of savings consciously and intentionally undertaken, we are placing liquid assets in the hands of persons who may use them to put added pressure on price ceilings. It is to aid in immobilizing such unstable accumulations, as well as for fiscal and equitable reasons, that the Treasury considers the need for additional taxes so urgent.

I do not desire to go into the matter of particular types of wartime taxes at any length this evening, but I should like to make some general observations.

First, there can be no doubt of the ability of the people of the United States to pay taxes much higher than those now levied. Of course, it would be hard because war itself is hard. But the very fact that we are threatened with inflation is evidence of our ability to pay higher taxes, for it means that we have more dollars to spend than things to buy with them.

Second, the view is sometimes voiced that, while we have exhausted our ability to pay some kinds of taxes, such as income taxes, we have not exhausted our ability to pay other kinds of taxes, such as sales taxes. I can see no merit in this view. Ability to pay resides in persons, rather than in kinds of taxes—both income and sales taxes must be met from the same pay envelopes; and if we have the ability to pay one, we have the ability to pay the other.

The income tax can be adjusted, and is adjusted to the personal circumstances of those upon whom it is levied. Exemptions are granted commensurate with family status, so that the tax does not fall with merciless brutality upon those with small incomes and large families. No such adjustment mechanism is customary or practicable for the sales tax. The view that we have exhausted our ability to pay additional income taxes, but still have the ability to pay a sales tax, logically reduces itself to the view that the principal additional ability to pay in the economy resides in that portion of incomes falling within the exemptions from the individual income tax—that is, five hundred dollars for a single person, twelve hundred dollars for a married couple, and three hundred fifty dollars for each dependent. I cannot accept this view; and I do not believe that the advocates of the sales tax would, if they realized the full implications of their proposal.

Third, it is often proposed that we should place a special tax on increases in individual incomes; that is, tax a man with an income of, say, three thousand dollars more heavily if he has recently come up from one thousand dollars than if he had been receiving three thousand dollars for some time. This proposal seems to me to be wrong on a number of counts.

It is unfair. It seems to me that, consciously or unconsciously, it is based in part on the feudal concept that every man should stay in his place, and it strikes at the root of the principle that every man may rise according to his worth—a principle which has given so much life and hope to the American scene for generations past.

It is uneconomic. It would undermine the incentive of workers to transfer to war industries located in inconvenient places and to work long hours at hard jobs. Particularly, it would strike at the incentive for wives to enter war plants

in order to earn incomes supplementary to those of their husbands. It would, therefore, aggravate the labor shortage.

It would be very difficult to administer. This would be true, not only for the Treasury, but also for the taxpayers, as it would require the use of forms and questionnaires far more complex than any involved in the administration of the individual income tax.

It seems to me that the basic problem of the taxation of individuals in wartime is really not very complex. Aggregate individual income is higher, and the Government must tax a portion of it away. There may be a great deal of dispute as to which income brackets should be drawn upon the most heavily, but any reasonable pattern of withdrawal can be effected by means of the individual income tax.

I think it is a good rule when any other tax is proposed, that you first express the distribution of its burden in terms of the individual income tax, and then ask yourself whether you would consider it reasonable that the burden of the individual income tax itself should be so altered. If the answer is "No," then the other tax should be placed on the defensive and its proponents made to justify it by reasons of strong public policy. Sometimes this can be done—for example, I believe that the luxury excises proposed by the Treasury this year and the spendings tax proposed last year are cases in point. The test should be rigid, however, and the considerations of public policy should be important before a tax is placed on the statute books, the burden of which is distributed in a manner other than that in which we would be willing to distribute the burden of an increase in the individual income tax.

I turn now to our policies with respect to wartime borrowing. These have been dominated by the following considerations.

First, we have tried to borrow as much as possible from investors other than commercial banks. This principle must be stated subject to some qualification. It would neither be possible nor desirable to do all of our borrowing outside of the banking system. I have already explained that one of the reasons for borrowing at all, rather than relying exclusively upon taxation, is that an expanding wartime economy needs—even at a constant price level—a greatly increased amount of currency and bank deposits. These can be obtained, under existing institutions and in wartime, only by a corresponding increase in the Government security holdings of commercial and Federal Reserve Banks; and a sufficient amount of securities have to be sold to the banks to provide this necessary circulating medium, even if adequate markets exist for them elsewhere.

The amount of Government securities which would thus have to be sold to the banks in any event is substantial; but, in practice, I must admit that this has proved little of a problem, since it has taken care of itself by the rapid expansion of the borrowing needs of the Federal Government and the slower development of nonbanking sources for Federal borrowing.

For this reason, we have directed our main effort to the sale of securities to nonbanking investors. During the past year, we have sold to such investors, net after all switches and redemptions, about forty billion dollars of Government securities, as compared with about thirty billions absorbed by the banks.

Second, we have tried to make the securities sold to the small investor as riskless as possible. The Treasury has considered itself the trustee of the inexperienced investor. It is with this in view that the Department's appeal to small investors has been confined to Series E bonds which are nonnegotiable, payable on demand and hence are guaranteed against fluctuations in market values.

The Treasury is less concerned with the large volume of demand obligations which is being built up by the sale of savings bonds to small investors than it would be with the only practicable alternative to this course. This alternative would be the sale to small investors of marketable securities payable by the Treasury only after the expiration of a fixed term of years.

The fixing of a definite term on securities sold to small investors by no means insures that they will be held by these investors for the full term. By and large, the holders of marketable securities would sell them on the same occasions when holders of redeemable securities would redeem theirs. Indeed, there is one important occasion upon which marketable securities would be sold, but redeemable securities would not be redeemed—that is, the fear of a decline in price, from which the nonnegotiable securities are immune.

Now it may appear, at first glance, that while the Treasury should be properly concerned with redemptions, it should not be concerned with market sales, since it must meet the redemptions out of its own pocket; while the market sales will be taken up by somebody else. This type of reasoning would suffice for a private borrower, but it is entirely inadequate for the Treasury since it overlooks the real

problem which the holdings of Government securities—whether redeemable or marketable—by small investors will present in the post-war period.

This problem is that the holders of these securities may dispose of them and spend the proceeds on consumers' goods at a time when the supply of such goods will be scarce; and the spending can result only in price rises. This problem would exist, however, whether the securities were payable on demand or were negotiable and payable at the close of a fixed term, and will be somewhat less troublesome for demand securities, because, as I have already pointed out, the liquidation of this type of security will never be precipitated by the fear of a fall in the price of the security itself.

The other problems which will be caused by holdings of Government debt by small investors in the post-war period are minor, relative to the major problem which I have just mentioned; and will be less serious with demand obligations than with negotiable obligations of fixed term.

When savings bonds are presented for redemption to the Treasury and it is necessary to refund them, the Treasury offers the type and maturity of new securities best suited to the market at the time, and offers these securities for distribution through the regular channels of the Government security market.

Marketable securities, by contrast, would be offered in small blocks, oftentimes through irregular channels where the original holders may not receive full value, and might dribble into the market in such a way as to keep it continually disturbed. They might not be fitted by coupon rate, maturity, or other characteristics for the predominant demand then existing in the market, but they would have been cast in whatever mold they were, once and for all, and the market would have to make the best of it.

To the extent that the refunding of demand obligations would have been accomplished by the sale of securities to banks, so also would the marketable securities find their ultimate lodgment in banks, but only after a roundabout journey, probably involving both loss to their original purchasers and a higher interest cost to the Treasury.

It seems clear, therefore, that the Treasury is in a much better position to refund the nonnegotiable securities than the individual would be to refund negotiable securities through the market.

The third of the principles governing our borrowing policy has been the maintenance of the liquidity of the banking system. We have laid down the policy that no securities will be offered to commercial banks for the investment of their demand deposits with a maturity at time of issuance of over ten years. The great majority of the securities sold to commercial banks have had maturities far shorter than this. Indeed, more than half of the total increase in the portfolios of commercial banks since Pearl Harbor has been in the form of three-month Treasury bills and one-year certificates of indebtedness. This concentration of sales to commercial banks in short securities insures that our banking system will be in a strong and liquid position to meet the problems of the post-war period.

Finally, we have financed this war at an average rate of slightly less than 1½ percent. This compares with an average rate of about 4¼ percent on the securities issued to finance the last World War.

Interest rates have remained stable during the wartime period and confidence in the continuation of this stability has been and is widespread and well justified, and has caused investors to subscribe to new issues of Government securities in successive war loans without any sign of holding back in anticipation of higher rates.

I think it can be fairly said of the United States, as the late Chancellor of the Exchequer, Sir Kingsley Wood, recently said of Great Britain, that ". . . we have revolutionized public opinion as to what are fair rates for Government war borrowing." I believe that this revolution in opinion has a sound basis in underlying economic realities, and is applicable to the coming times of peace also. I hope that the policies of the Government will be directed to this end.

#### FINANCING THE POST-WAR READJUSTMENT

I come now to the second major division of my topic, that is, the problems of the post-war readjustment period.

I approach this subject with some trepidation. No post-war plan will be of any value unless we win the war and are in a position to put it into effect. The war is not yet in the bag. Hitler's post-war plan is slavery, and there will not be room for both his plan and our own.

You all remember the recipe for rabbit stew which begins "First catch the rabbit." So it is with post-war planning. We must first win the war; and we must not let anything, even post-war planning, distract our minds from this for an instant.

Immediately following the close of the war, we will be confronted with the problem of reconversion. The period of reconversion will be a time fraught with exceptional hazard to our economic structure.

During normal times, most of our people are engaged in producing goods which they and their fellow workers can buy with their wages. During wartime, they are largely engaged in producing war goods which they cannot purchase with their incomes, but the excess purchasing power which is thereby created is held in check by direct controls, by personal taxation and by Government borrowing from individuals. The people are willing to accept and cooperate with these measures because of patriotism and the all-pervading spirit of sacrifice which exists during wartimes. During the reconversion period, however, while the tools of production for peace goods are being made ready, purchasing power may outrun the goods available for purchase, while wartime measures of control may be relaxed if the people do not recognize the need for continued restraint.

A price inflation is, consequently, one of the hazards of the reconversion period. Stalking hand-in-hand with it goes the hazard of unemployment. Normally, these two are never seen together, since unemployment usually rises from a lack of demand for goods and inflation from a shortage of goods. The unemployment of the reconversion period will be caused, however, not by a lack of demand for the finished products, but because the plants are not yet ready for mass reemployment, and so may go hand-in-hand with inflation.

Once the period of reconversion is over and the tremendous potentialities of the American economy which have been demonstrated during the war period are directed to the production of the goods of peace, the main hazard of inflation will be over.

The task of statesmanship in the period immediately following the war will be to hasten the reconversion process while mitigating its hardships and reducing its human costs. This task will, of course, be easier if a termination of the war on one front before the other should make it possible to complete part of the reconversion process under a wartime environment. But we must press for victory against Japan as well as Germany without regard for the economics of reconversion.

This evening I shall discuss only three aspects of fiscal planning for the reconversion period, and these briefly. They are, first, the cancellation of war contracts; second, the adequacy of corporate financial resources to carry on the work of reconversion; and, third, the control of individual spending during the reconversion period.

If the war should end today on all fronts, there would be outstanding more than 75 billion dollars of war contracts on which deliveries had not yet been made. Much of the material covered by these contracts would be of no use to the Government if it were delivered after the immediate emergency of this war had passed. This is because there are no goods with respect to which obsolescence runs faster than it does for the goods of war; so the best preparation for future wars consists in maintaining the skills and plant capacity necessary for the development, production, and use of new war goods rather than in hoarding vast quantities of old ones.

Part of the undelivered contracts would still exist merely in blue-prints in the hands of the contractors, while part would be represented by goods in process, some of which in turn could be converted into peacetime goods.

In my opinion, all war contracts should be canceled immediately upon the passing of the military need for the goods contracted for. This is desirable for two important reasons. First, it avoids the tremendous waste of human and material resources involved in making goods which we will never use; and, second, it gives the maximum stimulation to the men and management released from making such goods to seek employment in the production of goods for which there is a human need, and so hastens the process of reconversion.

The abrupt cancellation of war contracts will give rise to two problems. These are: First, provision for the labor thrown out of employment; and second, compensation for the contractors.

The first of these problems should be settled with liberality; the second, with the utmost of speed.

A generous treatment of the labor displaced by contract cancellation is required, not merely by considerations of common humanity and fair dealing, but also by considerations of economy; for without it, we are unlikely to secure abrupt cancellation at all, and there is no form of relief more expensive than the production of unneeded tools of war. We should be sure, however, that the treatment accorded labor displaced from war production is of such a character that it encourages, rather than slows down, its quest for peacetime employment.

Payments to contractors should be just in accordance with a fixed standard of equity; that is, they should be enough to make the contractors and their subcontractors whole for the losses they have sustained as the result of the contract cancellations.

It is important also, that payments to contractors should be prompt. This is not primarily for the benefit of the contractors themselves—although I have no doubt that they will appreciate it—but for the benefit of the country as a whole. A dollar paid out in the settlement of war contracts during the early reconversion period may—in terms of national well being—be worth several dollars paid out a year or so later. It is far more important, therefore, that the settlements be prompt than that they be accurate to the last dollar according to some accounting concept, which may itself be open to question.

The settlement of war contracts along the lines which I have just outlined will involve a heavy outflow of funds from the Treasury in the few months immediately following the end of the war. We are prepared for this outflow, and we feel that there will be few occasions when a disbursement of funds may be made with so little real cost to the Government and so much benefit to the economy.

My second point with respect to the reconversion period relates to the adequacy of corporate financial resources to carry on the work of reconversion. The adequacy of these resources is important, not merely or even principally from the point of view of the corporations involved, but from the point of view of the whole economic system.

We in the Treasury have given careful consideration to this matter, and believe that funds for the reconversion of war industry will be ample, provided that a prompt settlement is made of canceled war contracts. Our reasons for believing this are as follows:

First, the wartime period has been a profitable one for American corporations as a whole. Net corporate profits, after taxes, have averaged about twice as much per year during the wartime period as they did in the years 1935 through 1939 (the base period for the FRB index of industrial production); and, by and large, the greatest increases have gone to those firms whose problems of reconversion will be greatest. Corporate dividend policy, furthermore, has been so conservative that most of the increase in corporate earnings has been added to surplus.

Second, in addition to their savings from undistributed earnings, American corporations have piled up a large volume of liquid assets as a result of repayment of receivables, and in some cases reduction in inventories, and the general inability to expend depreciation and depletion reserves which has been brought about by wartime conditions. According to the estimates of the Federal Reserve Board, the demand deposits of nonfinancial businesses, including unincorporated enterprises, amounted to over 30 billion dollars at the end of last July; and, according to Treasury estimates, the holdings of Government securities—payable for the most part on demand or at very short term—by nonfinancial corporations alone, amount at the present time to about 20 billion dollars. Each of these figures is far above any peacetime precedent; but, to make the picture brighter, American business, during the same time it has been acquiring them, has reduced the amount of both its bank loans and its bonded debt.

Third, generous carry-back and carry-forward provisions included in the corporation tax laws insure that corporations suffering losses during the reconversion period, or even earning incomes of less than their excess profits credit, will receive substantial refunds of the taxes paid in their prosperous years. These refunds—for the expediting of which the Treasury has made recommendations to the congressional committees—will be available to carry on the work of reconversion. In addition, there is provided in the present law a post-war refund, irrespective of future tax status, of ten percent of the excess profits tax paid in the war period.

For the reasons given, I do not believe that the adequacy of business funds for reconversion purposes will present a major problem. But I cannot speak with equal assurance with respect to the prospects for the control of individual spending during the reconversion period—the third post-war problem to be discussed.



Immediately following the end of the actual fighting, we can probably expect a let-down in the willingness of people to submit from patriotic motives to a continued reduction in their consumption. There is likely to be a demand for an immediate end of the direct controls; and this demand may, to some extent, succeed. For some time, however, while industry is being reconverted and the war effort demobilized, there will be only a very gradual increase in the supply of consumers' goods. When it is considered that there will be available to be spent currently, in addition to the incomes being received for the production of consumers' goods, not merely the incomes from work in demobilizing the war effort and reconverting private industry, but also the large liquid resources piled up during wartime, it is easy to conjure up the specter of a post-war inflation.

Against this must be set the powerful force of human foresight and sobriety. The reconversion period is bound to be attended by considerable unemployment, and each individual will naturally ask himself how he is going to come out in the swirl of readjustments he sees around him. His natural tendency will be to "play it close to the chest" and handle his reserve funds as carefully as possible. This human tendency alone may maintain a high rate of saving during the reconversion period, and so forestall the possibility of a post-war inflation.

We hope that this will be so; but counting on it would be as improvident as counting on an internal smash up in Germany to win the war. We must consequently lay our plans to prevent a post-war inflation from occurring, but stand ready to adjust any such plans on short notice to conditions as they actually develop during the reconversion period.

What should these plans be? It seems to me that the direct controls, such as price ceilings, priorities, and rationing, should be kept in effect as long as necessary; and high income taxes, as long as possible.

Let me explain the difference between "necessary" and "possible" in the statement which I have just made.

While I believe that we should keep the direct controls as long after the war as necessary, I do not believe that this will be very long. I feel certain that the last of them can be done away with as soon as the reconverted plants commence to pour their flood of consumers' goods on the market.

I have said, however, that the high rates of taxation should be kept as long as possible. I think that the case here is very different. High personal taxes serve the anti-inflationary purpose of absorbing surplus purchasing power; and this may be very useful and necessary in the reconversion period. But they also serve the purpose of helping to pay off the national debt; and this purpose is also useful and necessary.

It seems to me, therefore, that, while the criterion with respect to the removal of the controls should be "How soon can we remove them without risking inflation?", the criterion with respect to wartime rates of taxation should be "How long can we keep them without risking unemployment?" Perhaps for a long time to come, if the post-war period lives up to our hopes and expectations.

But this would take me into new vistas beyond the scope of tonight's address for I have no intention of discussing the broader phases of fiscal policy beyond the reconversion period.

I would like to make, however, a few general observations. The war has opened the eyes of the American people to the tremendous productivity of industrial and agricultural America. The shortages of peacetime goods and services that exist now have not blinded us to the enormous potentialities for abundance inherent in our productive mechanism. It is precisely this unexampled capacity to produce upon which the future prosperity and welfare of our people ultimately depend.

To help society achieve more fully the promise of abundance implicit in our capacity to produce; to help maintain output and employment at a level more nearly corresponding to our true productive potential; and to secure this at a price that a peaceful democracy can pay;—that will constitute the greatest task of economic statesmanship in the post-war world.

I do not believe that the glory of America belongs only to the past. I believe that the real promise of America belongs to the future. Between the goal of securing maximum utilization of our resources and the goal of achieving a more equitable distribution of wealth, there need be no conflict. Our history has been testimony to that fact, and our future will be the record of its fulfillment.

## Exhibit 58

*Letters from the Secretary of the Treasury to commercial banks, insurance companies, and corporations in connection with the Fourth and Fifth War Loans*

## LETTER TO COMMERCIAL BANKS, FOURTH WAR LOAN

*January 5, 1944.*

GENTLEMEN: On January 18, 1944, the Treasury will open the Fourth War Loan, the goal of which is \$14 billions. It is our aim in the coming campaign to increase the sale of Government securities to individuals, who are expected to account for \$5.5 billions of the total goal. In my statements concerning the Fourth War Loan, I have emphasized that the drive is to be limited to obtaining subscriptions from nonbank investors. The following statement was included in the first formal announcement of the loan:

"In order to help in achieving its objective of selling as many securities as possible outside of the banking system, the Treasury requests the cooperation of all banking institutions in declining to make speculative loans for the purchase of Government securities. The Treasury is in favor of the banks making loans to facilitate permanent investment in Government securities provided such loans are made in accord with the joint statement issued by the National and State Bank Supervisory Authorities on November 23, 1942."

During the three preceding war loan drives, an increasing volume of subscriptions appears to have been entered by subscribers who paid for the securities they purchased largely by borrowing funds from commercial banks. Many of these subscriptions were placed with the intention of repaying the borrowed funds out of future income, and of holding the securities purchased as investments. A substantial volume of such subscriptions, however, appears to have been predominantly speculative in character, or else to have been entered merely for the purpose of helping to achieve campaign quotas. The subscribers evidently intended to hold the securities only for short periods and expected to sell them in the market within a few weeks or months after the drive.

Accordingly, most of these securities have found their way into the banking system, thus involving an expansion of bank credit. Such subscriptions do not contribute to the objective of financing the war as largely as possible outside of the banking system.

In view of these considerations, I want to ask all banks to scrutinize carefully all requests that come to them for loans to finance subscriptions to securities offered in the Fourth War Loan; and in so doing, to consider that loans to facilitate the investment in Government securities are a proper part of the financing mechanism only when they are in accordance with the joint statement issued by the National and State Bank Supervisory Authorities in November 1942. This statement, you will recall, was in part as follows:

"\* \* \* subscribers relying upon anticipated income may wish to augment their subscriptions by temporary borrowings from banks. Such loans will not be subject to criticism but should be on a short-term or amortization basis fully repayable within periods not exceeding six months."

Loans to finance speculative subscriptions and any other loans on Government securities in connection with Government financing which do not meet the requirements of the statement referred to above are not consistent with the Treasury's policy and program.

Another matter with respect to which I should also appreciate your further cooperation is that of the transfer of funds for the purchase of Government securities. We have written a letter to the larger corporations of the country about this matter and a copy is enclosed for your information.

May I take this opportunity to express my deep appreciation of the great help you and other bankers have given the Treasury in connection with its war financing operations, in promoting the sale of securities, in acting as sales agencies during drives, in the continuous sale of savings bonds, and in your subscriptions to those securities which banks have been eligible to purchase.

Sincerely,

H. MORGENTHAU, JR.,  
*Secretary of the Treasury.*

## LETTER TO LARGE CORPORATIONS, FOURTH WAR LOAN

*January 5, 1944.*

GENTLEMEN: On January 18, 1944, the Treasury will open the Fourth War Loan, the goal of which is \$14 billions. This war loan will afford many of the country's large corporations an opportunity to invest some of the cash funds they have accumulated since the Third War Loan closed.

A number of corporation executives have told me that it would be helpful to all large corporations and avoid confusion if the Treasury made a definite statement of policy with respect to (a) the method it desired large corporations to follow in placing their subscriptions to the various issues, and (b) the procedure it desired them to follow with respect to allocations of credit to their various locations throughout the country.

With respect to the first point, it seems to me that no corporation should transfer funds from one bank to another exclusively for the purpose of entering subscriptions to Government securities because of the disturbing effect of such transfers upon the reserve positions of the Nation's banking institutions. It is the Treasury's wish, therefore, that such transfers of funds during the Fourth War Loan be avoided as far as possible. In entering a subscription during the Fourth War Loan, it would be helpful if you would make a point of entering it at the bank or banks in which you keep the funds to be used to pay for the securities subscribed for.

With respect to the matter of allocations of credit to local communities, I recognize the force of the many problems of business and customer relations in the various communities that make allocations desirable and necessary. In view of the amount of detailed work involved in making allocations, however, it is desirable to reduce the number to the fewest possible.

We are, however, desirous of meeting your wishes as to the distribution of credits for your subscription or portions thereof. We have arranged, therefore, with the Federal Reserve Banks for the establishment of a procedure which will permit allocations to be made effectively and systematically. A circular letter from the Federal Reserve Banks describing the procedure and providing forms for its operation should be in the hands of your bank shortly if it has not already arrived.

May I take this opportunity to express my deep appreciation for the great help your company and other corporations of America have given the Treasury in connection with its war financing activities. Through the cooperation of your executives and employees you have helped us develop and extend our program of selling large volumes of securities to individual purchasers under the payroll savings plan and during the war loan drives.

Sincerely,

H. MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

## LETTER TO INSURANCE COMPANIES, FOURTH WAR LOAN

*January 5, 1944.*

GENTLEMEN: On January 18, 1944, the Treasury will open the Fourth War Loan, the goal of which is \$14 billions. This war loan will afford many of the country's insurance companies an opportunity to invest some of the cash funds they have accumulated since the Third War Loan closed.

A number of insurance executives have told me that it would be helpful to their companies and avoid confusion if the Treasury made a definite statement of policy with respect to (a) the method it desired insurance companies to follow in placing their subscriptions to the various issues, and (b) the matter of allocations of credit for insurance company subscriptions.

With respect to the first point, it seems to me that no corporation should transfer funds from one bank to another exclusively for the purpose of entering subscriptions to Government securities because of the disturbing effect of such transfers upon the reserve positions of the Nation's banking institutions. It is the Treasury's wish, therefore, that such transfers of funds during the Fourth War Loan be avoided as far as possible. In entering a subscription during the Fourth War Loan, it would be helpful if you would make a point of entering it at the bank or banks in which you keep the funds to be used to pay for the securities subscribed for.

With respect to the matter of allocations of credit for subscriptions to local communities, please be advised that during the Fourth War Loan—as during the previous war loan drives—no allocation of insurance company subscriptions to an address other than that of the home office can be permitted. I recognize that there are some problems of business and customer relations in the various communities in which you do business which might make some allocations appear desirable. Our discussions with insurance executives in various parts of the country, however, have led us to the conclusion that allowing allocations of insurance company subscriptions would create a host of new and difficult problems. We have decided, therefore, to leave the previous ruling unchanged and have included in the quotas assigned to the various States and counties an estimate of the amounts likely to be obtained from insurance companies whose home offices are located therein.

May I take this opportunity to express my deep appreciation of the great help your company and the other insurance companies of America have given the Treasury in connection with its war financing activities. Through the cooperation of your executives and employees you have helped us develop and extend our program of selling large volumes of securities to individual purchasers under the payroll savings plan and during the war loan drives.

Sincerely,

H. MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

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#### LETTER TO COMMERCIAL BANKS, FIFTH WAR LOAN

*May 24, 1944.*

GENTLEMEN: On June 12, 1944, the Treasury will open the Fifth War Loan. The goal for this drive will be \$16 billions, of which \$6 billions is to come from the sale of bonds to individuals. The critical phases of the war are still ahead of us. No decline in expenditures is in prospect, and the \$16 billions is urgently needed. It is for this reason that we have set our goals higher than heretofore.

As in the last two war loans, sales will be confined to investors other than commercial banks. It is our wish, in this connection, to eliminate from the drive as far as possible those subscriptions which are predominantly speculative in character. You will remember that I included the following statement in the first formal announcement of the drive:

"In order to help in achieving its objective of selling as many securities as possible outside of the banking system, the Treasury requests the cooperation of all banking institutions in declining to make speculative loans for the purchase of Government securities. The Treasury is in favor of the banks making loans to facilitate permanent investment in Government securities provided such loans are made in accord with the joint statement issued by the National and State Bank Supervisory Authorities on November 23, 1942."

Loans to facilitate investment in Government securities are a proper part of the financing mechanism when they are in accordance with the joint statement referred to above. This statement, you will recall, was in part as follows:

"\* \* \* subscribers relying upon anticipated income may wish to augment their subscriptions by temporary borrowings from banks. Such loans will not be subject to criticism but should be on a short-term or amortization basis fully repayable within periods not exceeding six months."

Another matter with respect to which I should also appreciate your further cooperation is that of the transfer of funds for the purchase of Government securities. There was a great improvement on this account between the Third and Fourth War Loans. Over 10,000 banks have qualified to pay for customers' bond purchases by credit to a war loan deposit account, and if all the banks will urge clients to place orders for Government securities where funds are on deposit—making allocation of statistical credit when desired—transfers of funds can be continued at a satisfactory low level during the Fifth War Loan.

May I take this opportunity to express my deep appreciation of the great help you and other bankers have given the Treasury in connection with its war financing operations, in promoting the sale of securities, in acting as sales agencies in the continuous sale of savings bonds, and in your subscriptions to those securities which banks have been eligible to purchase.

Sincerely,

H. MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

## Exhibit 59

*Regulations governing the issuance of duplicate<sup>1</sup> checks*

(Department Circular No. 327 (Revised). Accounts)

TREASURY DEPARTMENT,  
Washington, April 29, 1944.

Treasury Department Circular No. 327 (Revised), dated October 27, 1939, is hereby revised to read as follows:

"The Regulations governing the issuance of duplicates of checks drawn by a duly authorized officer or agent of the United States, the District of Columbia, or the District Unemployment Compensation Board, on their behalf against an account or funds of the United States, the District of Columbia, or the District Unemployment Compensation Board, including instruments issued by any corporation or other entity owned or controlled by the United States, the funds of which are deposited and covered into the Treasury of the United States or deposited with the Treasurer of the United States, are hereby established pursuant to the provisions of section 3646 of the Revised Statutes of 1873, as amended (U. S. C. Title 31, sec. 528), and sec. 3647 of the Revised Statutes of 1873, as amended (U. S. C. Title 31, sec. 119). The requirements contained herein must be strictly observed except as the Secretary of the Treasury, being satisfied that observance thereof is not necessary to carry out the purposes of the law and these regulations may waive or modify any such requirement.

"GENERAL REGULATIONS

"1. *Advice of nonreceipt or loss.*—In the event of the nonreceipt or loss of such a check, the owner, better to protect his interest, should immediately notify the Treasurer of the United States or the Federal Reserve Bank through which payable or other drawee, describing the check, stating the name of the officer or agent of the United States, the District of Columbia, the District Unemployment Compensation Board, or the corporation or entity by which the check was drawn, giving, if possible, its date, number, and amount, and requesting that payment be stopped.

"Upon receipt of such request by the Treasurer of the United States and upon a determination that the check is outstanding or upon receipt of advice from a drawee other than the Treasurer that such request has been received and that the check has been found to be outstanding, a bond of indemnity (Form 2244) or, in an appropriate case, an application (Form 2244a) will be prepared in the Treasurer's office and transmitted for execution by the claimant who will transmit the duly executed form to the drawer of the original check, except as otherwise provided in section 4.

"2. *Request for duplicate check.*—A bond of indemnity (Form 2244) in a penal sum equal to the amount of the check or, in an appropriate case (see sections 3a-3e), an application (Form 2244a), in substantially the form prescribed, must be executed by the claimant and submitted to the drawer of the original check except as otherwise provided in section 4, giving the claimant's name and residence in full, describing the check and all endorsements therein and showing the claimant's interest therein. In the event the claimant is someone other than the payee of the original check he should present clear and satisfactory evidence of his ownership.

"If executed in a foreign country, by one other than an officer or an employee of the United States, or a member of the armed forces of the United States, the application shall be sworn to before (a) a diplomatic or consular officer of the United States, or (b) an officer of the United States Army, Navy, Marine Corps, or Coast Guard, or (c) an official of such foreign country authorized by law to administer oaths generally, and such foreign official shall affix his official seal, if any, and a diplomatic or consular officer of the United States shall certify that the foreign official who administered the oath was duly authorized under the laws of such foreign country so to act.

"3. *Issuance of duplicate check.*—Before the close of the fiscal year following the fiscal year in which the original check was issued, the drawer will prepare a duplicate (marked "Duplicate") which must be an exact transcript of the original,

<sup>1</sup> The word "duplicate" as used herein means a "substitute, marked duplicate" as provided in sec. 3646 of the Revised Statutes of 1873, as amended (U. S. C. Title 31, sec. 528).

special care being taken that the number, date, amount, and name of the payee correspond to those of the original. In the case of checks issued on account of public debt obligations and transactions regarding the administration of banking and currency laws, duplicates may be issued without limitation of time. The drawer will then forward, without delay, the bond of indemnity (Form 2244) or, in an appropriate case, the application (Form 2244a), and the duplicate check to the Division of Disbursement, Treasury Department. The bond of indemnity or the application and the information obtained shall be examined by the Division of Disbursement and if satisfactory shall be scheduled and submitted to the Secretary of the Treasury for approval.

"Certification of approval shall be made in writing by the Chief Disbursing Officer or the Assistant Chief Disbursing Officer on the duplicate check. Any duplicate issued pursuant to these regulations, and certified as provided above, may, if properly endorsed, be paid subject to the same rules and regulations as apply to payment of original checks.

"Unless the Secretary of the Treasury deems a bond of indemnity is essential to the public interest, or unless the drawer of the check is no longer in the service of the United States, no bond of indemnity shall be required in any of the following classes of cases:

"(a) If the Secretary of the Treasury is satisfied that the loss, theft, destruction, mutilation, or defacement, as the case may be, occurred without fault of the owner or holder and while the check was in the custody or control of the United States, including the Postal Service when carrying mail for an officer, employee, agent, or agency of the United States when performing services in connection with an official function of the United States, but not including the Postal Service when otherwise acting solely in its capacity as a public carrier of the mail, or of a person thereunto duly authorized as lawful agent of the United States; or while it was in the course of shipment effected pursuant to and in accordance with regulations issued under the provisions of the Government Losses in Shipment Act, as amended;

"(b) If substantially the entire check is presented and surrendered by the owner or holder and the Secretary of the Treasury is satisfied as to the identity of the check presented and that any missing portions are not sufficient to form the basis of a valid claim against the United States; and in cases where the circumstances justify such action, a letter of application may be accepted in lieu of Form 2244a;

"(c) If the Secretary of the Treasury is satisfied that the original check is not negotiable and cannot be made the basis of a valid claim against the United States;

"(d) If the amount of the check is less than \$50 and the check has not been endorsed by the payee;

"(e) If the owner or holder is the United States or an officer or employee thereof in his official capacity, a State, the District of Columbia, a Territory or possession of the United States, including the Commonwealth of the Philippine Islands, a municipal corporation or political subdivision of any of the foregoing, a corporation the whole of whose capital is owned by the United States, a foreign government, or a Federal Reserve Bank.

"4. *Procedure where disbursing officer who issued original check is dead or no longer in the service of the United States.*—In case of the loss of a check issued by an officer or agent (other than the Secretary of the Treasury, or the Treasurer of the United States) who is dead or no longer in the service of the United States, the bond required to be furnished by the owner of said check to an officer or agent in the service of the United States, prior to the issuance of a duplicate check, should be forwarded to the Division of Disbursement, Treasury Department, which will refer it to the General Accounting Office for examination and the statement of an account in favor of the owner of said check, as provided in section 3647 of the Revised Statutes of 1873, as amended (U. S. C. Title 31, sec. 119) and section 307 of the act approved June 10, 1921, 42 Stat. 25 (U. S. C. Title 31, sec. 47). Payment will then be made by a check issued pursuant to such statement of account.

"5. *Receipt or recovery of original check.*—If the original check is received or recovered after stoppage of payment has been requested, but before a duplicate check has been received, the Treasurer of the United States, or the Federal Reserve Bank through which payable, or other drawee, shall be immediately advised that the stoppage request may be disregarded. This notice should be signed by the owner of the check who requested the stoppage and should be mailed by the owner or drawer in time to reach the Treasurer or the Federal Reserve Bank through which payable, or other drawee, before the check is presented for payment.

"If the original check is received or recovered after a duplicate has been received, the duplicate must not be cashed, but must be immediately forwarded to Division of Disbursement, Treasury Department, Washington 25, D. C., for cancelation.

"If the original check is received or recovered after the duplicate has been cashed, the original must not be cashed, but must be immediately forwarded to Division of Disbursement, Treasury Department, Washington 25, D. C., for cancelation.

"6. *Amendment of Regulations.*—The Secretary of the Treasury may withdraw or amend at any time or from time to time any or all of the foregoing rules and regulations.

"7. *Previous Regulations superseded.*—This circular supersedes Treasury Department Circular No. 327, dated October 27, 1939, and all previous regulations governing the issuance of duplicate checks."

D. W. BELL,  
*Acting Secretary of the Treasury.*

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### Exhibit 60

*Amendments to Department Circular No. 714, prescribing regulations governing the payment through depository banks of funds withheld as taxes in accordance with the provisions of the Current Tax Payment Act of 1943*

SECOND AMENDMENT, NOVEMBER 30, 1943

TREASURY DEPARTMENT,  
*Washington, November 30, 1943.*

Treasury Department Circular No. 714 dated June 25, 1943, as amended, is hereby further amended as follows:

Delete the sixth paragraph of section 7 and insert in lieu thereof the following paragraph:

"The original and Federal Reserve Bank copy of each depository receipt must be signed by an officer or employee duly authorized by the depository. This signature may be in any one of the following forms: (1) a manual signature of a duly authorized officer or employee followed by the title of such officer or employee; (2) a rubber stamp impression containing the name of the depository supported by the manual initial of the receipting officer or employee and followed by his official title; (3) a facsimile or rubber stamp impression signature of a duly authorized officer over his official title, supported by the manual initial of such officer or the employee receiving the deposit; or (4) a facsimile or rubber stamp impression signature of a duly authorized employee over his official title, supported by the manual initial of such employee. It is preferable that initials or manual signatures be in ink; however, if made by pencil they will be acceptable."

Delete the fifth paragraph of section 8 and insert in lieu thereof the following paragraph:

"The initial allotment to a depository for withheld taxes under either of the two alternative methods will be calculated on the basis of the business transacted under this circular by the depository during the calendar month immediately succeeding that in which the depository was qualified. However, if specifically requested by a depository, the initial allotment may be made on the basis of the business transacted during the calendar month in which the depository was qualified. If more than one full calendar month elapses after a bank qualifies as a depository for withheld taxes before it enters a subscription for the initial allotment, such initial allotment should be calculated on the basis of the average business transacted monthly by the depository during the preceding full calendar months; however, if the elapsed period is more than six months, the initial allotment will be calculated on the basis of the average business transacted monthly during the six full calendar months preceding the request for the initial allotment. The initial allotment will be made as of the first day of the second calendar month following the close of the period which is used as a basis for determining the amount of such initial allotment. For example, if the business transacted during the period ending November 30, 1943, is to be used as a basis for calculating the initial allotment, such initial allotment will be made as of January 1, 1944."

Delete the sixth paragraph of section 8 and insert in lieu thereof the following paragraph:

"Appropriate adjustments in allotments will be considered periodically on the basis of fluctuations in the business transacted after the initial allotments are established. The first of such adjustments will be made as of January 1, 1944, on the basis of the average monthly business transacted during the calendar months from the close of the period used for the establishment of the initial allotment to November 30, 1943. Thereafter, appropriate adjustments will be made as of July 1 and January 1 on the basis of the average monthly business transacted during the periods from December 1 to May 31 and June 1 to November 30, respectively; provided, however, that in the case of a depository which received its initial allotment during such preceding six-month period, the adjustment will be based on the business transacted from the close of the period used in establishing the initial allotment to May 31 or November 30, as the case may be."

D. W. BELL,  
*Acting Secretary of the Treasury.*

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### THIRD AMENDMENT, APRIL 4, 1944

TREASURY DEPARTMENT,  
*Washington, April 4, 1944.*

Treasury Department Circular No. 714 dated June 25, 1943, as amended, is hereby further amended as follows:

Delete the first two sentences of the fourth paragraph of section 7 and insert in lieu thereof the following sentences:

"The depository shall issue to each employer for each payment of withheld taxes received by the depository from such employer a depository receipt for withheld taxes (Form No. 410, Revised), hereinafter referred to as the depository receipt. The prescribed form of depository receipt is shown as Exhibit B, Revised, of this circular."

A copy of "Exhibit B, Revised" is attached hereto.

D. W. BELL,  
*Acting Secretary of the Treasury.*



DEPOSITARY RECEIPTS  
(EXHIBIT B—REVISED)

FORM NO. 410 (REVISED)  
TREASURY DEPARTMENT  
FISCAL SERVICE  
Bureau of Accounts

DEPOSITARY RECEIPT FOR WITHHELD TAXES

*Sec. 1631, Internal Revenue Code as added by  
the Current Tax Payment Act of 1943*

SERIAL NO. FR 1—123456 A

A. B. A. No. -----  
(Insert)

To: COLLECTOR OF INTERNAL REVENUE: THIS IS TO CERTIFY that the employer named below has made payment to this authorized depositary for account of the Federal Reserve Bank of ----- as fiscal agent of the United States, in special account "Withheld Taxes," pursuant to the provisions of Treasury Department Circular No. 714 as follows:

*Space Reserved for Collector of Internal Revenue*

Dollars	Cents

-----  
(Date of payment)

-----  
(Name and address of employer)

-----  
(Name and location of depositary)

-----  
(Signature of authorized employee of depositary)

*Important notice to employer.*—This receipt must *not* be altered in any respect and must accompany your Return of Income Tax Withheld on Wages (Form W-1) to the Collector of Internal Revenue. It will be accepted by the Collector for appropriate credit against the amount due as shown on such tax return. The employer should request the depositary to make out all receipts in the same name that the employer will use in filing his return (Form W-1). A record of the complete serial number shown in the upper right-hand corner of this receipt should be kept by the employer. This serial number must be quoted in any correspondence which might be necessary concerning this payment.

(See IMPORTANT NOTICE at bottom of receipt)

EMPLOYER'S COPY

Form No. 410-A (Revised) SERIAL NO. FR 1-123456 A  
 TREASURY DEPARTMENT  
 FISCAL SERVICE  
 Bureau of Accounts  
 DEPOSITARY RECEIPT FOR WITHHELD TAXES  
*Sec. 1631, Internal Revenue Code as Added by  
 the Current Tax Payment Act of 1943*  
 A. B. A. No. ....  
 (Insert)

TO: COLLECTOR OF INTERNAL REVENUE: THIS IS TO CERTIFY that the employer named below has made payment to this authorized depositary for account of the Federal Reserve Bank of ..... as fiscal agent of the United States, in special account "Withheld Taxes," pursuant to the provisions of Treasury Department Circular No. 714 as follows:

*Space Reserved for Federal Reserve Bank*

Dollars	Cents

(Date of payment)

(Name and address of employer)

(Name and location of depositary)

(Signature of authorized employee of depositary)

**IMPORTANT NOTICE TO DEPOSITARY**—This first copy must be forwarded to the Federal Reserve Bank of ..... at the time remittance covering this deposit of withheld taxes is made to the Federal Reserve Bank from the account "Withheld Taxes." This copy of depositary receipt will not be accepted by Collector of Internal Revenue.

(See IMPORTANT NOTICE at bottom of receipt)

FEDERAL RESERVE BANK COPY

Form No. 410-B (Revised)  
TREASURY DEPARTMENT  
FISCAL SERVICE  
Bureau of Accounts

DEPOSITARY RECEIPT FOR WITHHELD TAXES

*Sec. 1631, Internal Revenue Code as Added by  
the Current Tax Payment Act of 1943*

SERIAL No. FR 1-123456 A

A. B. A. No. ....  
(Insert)

To: COLLECTOR OF INTERNAL REVENUE: THIS IS TO CERTIFY that the employer named below has made payment to this authorized depository for account of the Federal Reserve Bank of ..... as fiscal agent of the United States, in special account "Withheld Taxes," pursuant to the provisions of Treasury Department Circular No. 714 as follows:

Dollars	Cents

.....  
(Date of payment)

(Name and address of employer)

(Name and location of depository)

.....  
(Signature of authorized employee of depository)

**IMPORTANT NOTICE TO DEPOSITARY:**—This second copy must be retained by the depository as its permanent record of this payment by the employer of withheld taxes. This copy of depository receipt will not be accepted by Collector of Internal Revenue.

DEPOSITARY'S COPY  
(See IMPORTANT NOTICE at bottom of receipt)

## Exhibit 61

*An act to amend the act approved March 2, 1895, as amended, relating to surety bonds*

[Public Law 275, 78th Cong., S. 1647]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That section 5 of the Act of Congress approved March 2, 1895 (28 Stat. 807), as amended by an Act approved March 8, 1928 (45 Stat. 247), is further amended by inserting in the third line of the proviso as it appears on page 247 of volume 45 of the United States Statutes at Large, after the word "employees" the following: "officers and employees of other civilian agencies of the United States and bonded officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard."

Approved March 31, 1944.

## Exhibit 62

*Agreement for payment by Finland of postponed payments of amounts payable during the period from January 1, 1941, through December 31, 1942*

AGREEMENT, MADE THE 14TH DAY OF OCTOBER, 1943, AT THE CITY OF WASHINGTON, DISTRICT OF COLUMBIA, BETWEEN THE GOVERNMENT OF THE REPUBLIC OF FINLAND, HEREINAFTER CALLED FINLAND, PARTY OF THE FIRST PART, AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA, HEREINAFTER CALLED THE UNITED STATES, PARTY OF THE SECOND PART

Whereas under the terms of the debt funding agreement between Finland and the United States, dated May 1, 1923, the agreement between Finland and the United States, dated May 23, 1932, and the agreement between Finland and the United States, dated May 1, 1941, there was payable by Finland to the United States during the period from January 1, 1941 to December 31, 1942, inclusive, in respect of the indebtedness of Finland to the United States, the following amounts:

Date payable	Funding agreement of May 1, 1923		Agreement of May 23, 1932	Agreement of May 1, 1941	Total
	Principal	Interest			
June 15, 1941.....		\$139,037.50	\$19,030.50	\$13,695.06	\$171,763.06
Dec. 15, 1941.....	\$79,000	139,037.50	19,030.50	13,695.06	250,763.06
June 15, 1942.....		137,655.00	19,030.50	13,695.06	170,380.56
Dec. 15, 1942.....	82,000	137,655.00	19,030.50	13,695.06	252,380.56
Total.....	161,000	553,385.00	76,122.00	54,780.24	\$845,287.24

composing an aggregate amount of indebtedness of \$845,287.24 postponed by Finland under the aforementioned agreements; and

Whereas section 1 of the joint resolution of the Congress of the United States, approved June 12, 1941 (Public Law 110, 77th Congress), provides:

"That the Republic of Finland, at its option, may postpone the payment of amounts payable to the United States of America during the period from January 1, 1941, to December 31, 1942, inclusive, under the agreements between that Republic and the United States of America dated May 1, 1923, May 23, 1932, and May 1, 1941. In the event of the exercise of the option granted in this section the Secretary of the Treasury is authorized to make, on behalf of the United States of America, an agreement with the Republic of Finland for the payment of the postponed amounts in forty semiannual installments, the first two such installments to be paid during the calendar year beginning January 1, 1945, and two to be paid during each of the nineteen calendar years following: *Provided*, That the amounts postponed shall not bear any interest beyond the dates when such amounts first become payable under the above-mentioned agreements."

Whereas Finland has exercised its option under such joint resolution to postpone the payment of the above-mentioned aggregate amount of \$845,287.24, payable by Finland to the United States during the period from January 1, 1941 to December 31, 1942, inclusive;

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Payment of the aggregate amount of \$845,287.24, payable by Finland to the United States during the period from January 1, 1941, to December 31, 1942, inclusive, in respect to the indebtedness of Finland to the United States, according to the terms of the aforementioned agreements, is hereby postponed so that the amount of \$845,287.24 shall be paid by Finland to the United States in twenty equal annuities of \$42,264.36 each, payable in United States dollars in equal semi-annual installments on June 15 and December 15 of each calendar year beginning January 1, 1945, and concluding with the calendar year beginning January 1, 1964.

The respective amounts postponed, which compose the aggregate amount of \$845,287.24 postponed under this agreement, shall not bear any interest beyond the date when such amounts first become payable under the agreements between Finland and the United States dated May 1, 1923, May 23, 1932, and May 1, 1941. The bonds dated December 15, 1922, numbered 9, matured December 15, 1931, in the principal amount of \$55,000; 18, matured December 15, 1940, in the principal amount of \$76,000; 19, matured December 15, 1941, in the principal amount of \$79,000; and 20, matured December 15, 1942, in the principal amount of \$82,000, and delivered by Finland to the United States under the agreement of May 1, 1923, shall be retained by the United States until the annuities due under this agreement shall have been paid.

2. Except so far as otherwise expressly provided in this agreement, payments of annuities under this agreement shall be subject to the same terms and conditions as payments under the agreement of May 1, 1923, above mentioned. The proviso in paragraph 2 of such agreement, authorizing the postponement of payments on account of principal, and the option of Finland provided for in paragraph 4, to pay in obligations of the United States, shall not apply to annuities payable under this agreement.

3. The agreements of May 1, 1923, May 23, 1932, and May 1, 1941, between Finland and the United States, above mentioned, shall remain in all respects in full force and effect except so far as expressly modified by this agreement.

4. Finland and the United States, each for itself, represents and agrees that the execution and delivery of this agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this agreement have been completed as required by the laws of Finland and the United States, respectively, and in conformity therewith.

5. This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In witness whereof, Finland has caused this agreement to be executed on its behalf by its Envoy Extraordinary and Minister Plenipotentiary at Washington, thereunto duly authorized, and the United States has likewise caused this agreement to be executed on its behalf by the Secretary of the Treasury, pursuant to a joint resolution of Congress approved June 12, 1941, all on the day and year first above written.

THE REPUBLIC OF FINLAND

By HJ. J. PROCORÉ

*Envoy Extraordinary and Minister Plenipotentiary*

THE UNITED STATES OF AMERICA

By D. W. BELL

*Acting Secretary of the Treasury*

## Exhibit 63

*Letter of the Postmaster General to the Secretary of the Treasury, dated December 5, 1944, certifying extraordinary expenditures contributing to the deficiencies of postal revenues for the fiscal year 1944, in pursuance of Public No. 316, approved June 9, 1930 (46 Stat. 523)*

WASHINGTON, D. C., December 5, 1944.

THE HONORABLE THE SECRETARY OF THE TREASURY.

MY DEAR MR. SECRETARY: Pursuant to the provisions of the act of June 9, 1930 (39 U. S. C. 793), embodied in section 260, Postal Laws and Regulations, the amounts set forth below with respect to certain mailings during the fiscal year ended June 30, 1944, as determined under our present system of estimating, are certified to you in order that they may be separately classified on the books of the Treasury Department:

(a) The estimated amount which would have been collected at regular rates of postage on matter mailed during the year by officers of the Government (other than those of the Post Office Department) under the penalty privilege, including registry fees.....		\$124,549,269.00
Postage.....	\$102,945,096	
Registry fees, including surcharges.....	21,604,173	
(b) The estimated amount which would have been collected at regular rates of postage on matter mailed during the year by:		
1. Members of Congress under the franking privilege.....	\$1,047,560	
2. By others under the franking privilege.....	21,935	1,069,495.00
(c) The estimated amount which would have been collected during the year at regular rates of postage on publications going free in the country.....		587,482.00
(d) The estimated amount which would have been collected at regular rates of postage on matter mailed free to the blind during the year.....		78,854.00
(e) The estimated difference between the postage revenue collected during the year on mailings of newspapers and periodicals published by and in the interests of religious, educational, scientific, philanthropic, agricultural, labor, and fraternal organizations, and that which would have been collected at zone rates of postage.....		354,550.00
(f) The estimated excess during the year of the cost of aircraft service over the postage revenues derived from air mail.....		
Total.....		126,639,650.00

Very truly yours,

FRANK C. WALKER,  
Postmaster General

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## TABLES

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## EXPLANATION OF BASES USED IN TABLES

Figures in the following tables are shown on various bases, namely: (1) daily Treasury statements, (2) Public Debt accounts, (3) warrants issued, (4) checks issued, and (5) collections reported by collecting officers.

**Daily Treasury statements.**—The figures shown in the Daily Statement of the United States Treasury are compiled from the latest daily reports received by the Treasurer of the United States from Government depositaries and Treasury offices holding Government funds. The daily Treasury statement, therefore, is a current report compiled from latest available information, and, by reason of the promptness with which the information is obtained and made public, it has come into general use as reflecting the financial operations of the Government covering a given period and the condition of the Treasury as it is ascertainable from day to day. This is known as "current cash basis" according to daily Treasury statements. The current assets and liabilities of the Treasurer's accounts are also available on this basis. The figures as shown in current daily Treasury statements are the basis for the Budget estimates of receipts and expenditures, public debt, and condition of the Treasury submitted to Congress by the President.

**Public Debt accounts.**—On account of the distance of some of the Treasury offices and depositaries from the Treasury, it is obvious that the reports from all offices covering a particular day's transactions cannot be received and assembled in the Treasury at one time without delaying for several days the publication of the daily Treasury statement. It is not practicable to delay the publication of the daily Treasury statement in order to include the latest reports. It is necessary, therefore, in order to exhibit the actual public debt receipts and expenditures for any given fiscal year, to take into consideration those reports covering the transactions toward the end of the fiscal year concerned which have not been received in the Treasury until the succeeding fiscal year, and to eliminate receipts and expenditures relating to the preceding fiscal year. After taking into consideration these reports the revised figures indicate the status of the public debt on the basis of actual transactions during the period under review as reflected by the Public Debt accounts. This is known as "the basis of Public Debt accounts."

**Warrants issued (receipts).**—Section 305 of the Revised Statutes provides that receipts for all moneys received by the Treasurer of the United States shall be endorsed upon warrants signed by the Secretary of the Treasury, without which warrants, so signed, no acknowledgment for money received into the Public Treasury shall be valid. The issuance of warrants by the Secretary of the Treasury, as provided by law, represents the formal covering of receipts into the Treasury.

Certificates of deposit covering actual deposits in Treasury offices and depositaries, upon which covering warrants are based, cannot reach the Treasury simultaneously, and for that reason all receipts for a fiscal year cannot be covered into the Treasury by warrants of the Secretary immediately upon the close of that fiscal year. It is necessary to have all certificates of deposit before a statement can be issued showing the total receipts for a particular fiscal year on a warrant basis. The figures thus compiled and contained in this report are on a warrants issued basis. Table 2 (p. 526), for years prior to 1916, shows receipts on this basis.

**Warrants issued (expenditures).**—The Constitution of the United States provides that no money shall be drawn from the Treasury but in consequence of appropriations made by law. Section 305 of the Revised Statutes requires that the Treasurer of the United States shall disburse the moneys of the United States upon warrants drawn by the Secretary of the Treasury. As the warrants are issued by the Secretary they are charged against the appropriate appropriations provided by law. Some of these warrants do not represent actual payments to claimants, but are merely advances of funds to be placed to the credit

of disbursing officers of the Government with the Treasurer of the United States for the payment of Government obligations. The disbursing officer then issues his check on the Treasurer in payment of such obligations. As far as the appropriation accounts are concerned, the warrants issued and charged thereto constitute expenditures, but it will be observed that such expenditures necessarily include unexpended balances to the credit of the disbursing officers.

**Checks issued (expenditures).**—This basis, more than any other, reflects the real expenditures of the Government. Expenditures for a given fiscal year on the basis of checks issued differ from the corresponding figures on the basis of warrants in that the former include expenditures made by disbursing officers from credits granted during the previous fiscal year, and exclude the amount of unexpended balances remaining to their credit at the end of the fiscal year. The basis of checks issued differs from the basis of the daily Treasury statement in that the former includes checks outstanding at the end of the fiscal year, and excludes unpaid checks outstanding at the beginning of the fiscal year. A detailed explanation of the basis of checks issued will be found on page 89 of the Secretary's report for 1927. Table 17 (p. 591) shows expenditures on this basis.

**Collections reported by collecting officers (receipts).**—Statements showing receipts on a collection basis are compiled from reports received by the various administrative offices from collecting officers in the field, such as collectors of internal revenue and collectors of customs. These reports cover the collections actually made by these officers during the period specified. The collections are then deposited in a designated Government depository to the credit of the Treasurer of the United States, which depository renders a report to the Treasurer. The reports of the collecting officers and the depositories do not, of course, coincide, for the reason that the collecting officers make collections during the last few days of the fiscal year which are not deposited until after the close of the fiscal year. On this account the two reports do not agree. The receipts are reported on a collection basis merely for statistical purposes and to furnish information as to detailed sources of revenue. Classification of such items on the basis of deposits has been found to be impracticable and uneconomical. Table 8 (p. 565) shows receipts on a collection basis.

## DESCRIPTION OF ACCOUNTS THROUGH WHICH TREASURY OPERATIONS ARE EFFECTED

All receipts of the Government are covered into the General Fund of the Treasury from which all expenditures are made. Receipts and expenditures, however, are classified in the Treasury's records according to the class of accounts through which operations are effected. Transactions are segregated in order to exhibit separately those effected through general and special accounts, as contrasted with those effected through trust accounts. This classification was first shown for the warrants and checks-issued bases and on the daily Treasury statements beginning with the July 1, 1933, issue, in order to conform to the practice of the Bureau of the Budget. In some tables in this report, however, transactions in the three types of accounts are combined for purposes of historical comparison. A brief general explanation of the three classes of accounts is presented below.

**General accounts.**—The principal sources of general account receipts are income taxes, miscellaneous internal revenue, social security taxes, taxes upon carriers and their employees, and customs duties. In addition, a large number of miscellaneous receipts come under this head, including such items as proceeds of Government-owned securities (except those which are applicable to public debt retirement), sale of surplus and condemned property, Panama Canal tolls, fees (including consular and passport fees), fines, penalties, forfeitures, rentals, royalties, reimbursements, immigration head tax, sale of public land, seigniorage on coinage of subsidiary silver and minor coins, etc. Moneys represented in the general accounts may be withdrawn from the Treasury only in pursuance of appropriations made by Congress. There are five classes of appropriations payable through the general accounts of the Treasury, namely: (a) Annual, being those which are available for incurring obligations only during a specified fiscal year; (b) multiple-year, being those which are available for incurring obligations for a definite period in excess of one fiscal year; (c) continuing (no year), being available for incurring obligations until exhausted or until the object for which appropriated has been accomplished; (d) permanent-specific, being fixed amounts provided for each of a series of years by permanent legislation, without annual action of Congress; and (e) permanent-indefinite, being indefinite amounts (so much as may be necessary) provided by permanent legislation without annual action of Congress, such as the indefinite appropriation to cover interest on the public debt.

A statement of general account receipts and expenditures is, therefore, in the nature of a general operating statement, and gives a picture of the relationship between the general revenues of the Government and the operating expenditures (including capital outlays and fixed charges) chargeable against them.

**Special accounts.**—Special account receipts may be generally defined as funds received under special authorizations of law which may be expended only for the particular purposes specified therein. Special account receipts may not be used for the general expenditures of the Government. The more important items of receipts included under this heading, from the standpoint of amounts other than those applicable to the retirement of the public debt are the reclamation fund and receipts under the Mineral Leasing Act under the Department of the Interior, the national forest funds under the Department of Agriculture, war contributions, and deposits for defense aid under lend-lease legislation. There are many other special account receipts of lesser importance.

**Trust accounts.**—Trust account receipts represent moneys received by the Government for the benefit of individuals or classes of individuals and are used for purposes specified in the trust. Moneys held in trust, being payable to or for the use of beneficiaries only, are not available for general expenditures of the Government. There are several classes of trust account receipts, the beneficiaries under which may be either individuals or groups of individuals. The accounts may represent (a) moneys received directly from or for account of individuals, as in the case of moneys received from foreign governments or other sources in trust for citizens of the United States or others under the act of February 27, 1896; (b) moneys collected as revenues and held in trust, such as the proceeds of sales of Indian lands which are held as interest-bearing funds for the benefit of Indian tribes; (c) proceeds of grants from the general accounts of the Treasury in pursuance of treaty or other obligations such as the perpetual trust fund created for the Ute Indians under section 5 of the act of June 15, 1880; (d) deposits, donations, or contributions for specified purposes, such as funds received for the purchase of lands in the national parks; and (e) deposits to be held until appropriate disposition thereof can be made, such as proceeds from the redemption of bonds found and whose owners are unknown.

**Checking accounts of Government corporations.**—The manner in which certain checking accounts of Government corporations are handled in the daily statement of the Treasury was explained in the announcement appearing on page 347 of the annual report for 1938.

## RECEIPTS AND EXPENDITURES

## Summary tables on receipts and expenditures

TABLE 1.—Summary of receipts and expenditures, fiscal years 1932 through 1944 and monthly July 1943 through June 1944

[On basis of daily Treasury statements, see p. 519]

## PART A. GENERAL AND SPECIAL ACCOUNTS

Period	Receipts					Net receipts
	Internal revenue	Customs	Other	Total receipts	Deduct: Net transfers to Federal old-age and survivors insurance trust fund <sup>1</sup>	
<b>By fiscal years:</b>						
1932	\$1,551,006,334.38	\$327,754,969.12	\$110,964,133.64	\$2,005,725,437.14	—	\$2,005,725,437.14
1933	1,694,423,956.66	250,750,251.27	224,522,533.93	2,079,696,741.76	—	2,079,696,741.76
1934	2,649,603,828.30	313,434,302.19	161,515,919.04	3,115,554,049.53	—	3,115,554,049.53
1935	3,277,690,027.82	343,333,033.56	179,124,140.58	3,800,467,201.96	—	3,800,467,201.96
1936	3,512,831,608.15	386,811,533.69	216,233,413.29	4,115,936,615.13	—	4,115,936,615.13
1937	4,337,140,102.49	486,356,398.90	210,343,535.48	5,233,840,236.87	—	5,233,840,236.87
1938	5,674,318,436.66	334,187,249.57	208,155,540.76	6,241,651,226.99	—	6,241,651,226.99
1939	5,161,220,816.63	318,837,311.27	157,765,467.69	5,637,823,625.59	—	5,637,823,625.59
1940	5,303,133,988.29	348,590,635.21	273,111,779.26	5,924,836,402.76	—	5,924,836,402.76
1941	7,391,674,982.23	331,876,013.27	514,967,500.00	8,208,518,585.50	—	8,208,518,585.50
1942	12,993,117,887.52	388,948,426.88	285,818,509.44	13,667,914,823.84	—	13,667,914,823.84
1943	22,143,968,999.28	324,240,778.06	<sup>2</sup> 916,385,725.20	23,384,615,502.54	1,103,092,793.30	22,281,522,709.24
1944	41,684,987,330.27	431,252,168.24	<sup>3</sup> 3,292,202,529.49	45,408,442,028.00	1,259,515,059.93	44,148,926,968.07
<b>By months:</b>						
1943—July	1,814,630,369.61	32,883,380.55	200,671,087.99	2,048,184,838.15	40,761,458.82	2,007,423,379.33
August	2,601,992,516.06	38,956,113.86	363,675,465.50	3,004,624,095.42	283,802,589.42	2,720,821,506.00
September	5,150,606,412.32	30,744,727.74	257,223,678.03	5,447,574,818.09	105,240.53	5,447,469,607.56
October	1,812,994,348.32	38,441,793.49	217,903,250.63	2,069,249,392.64	38,922,998.36	2,030,326,394.28
November	2,114,720,513.29	34,367,776.00	221,270,062.92	2,370,358,352.21	270,967,263.87	2,099,391,088.34
December	5,483,636,114.05	34,107,224.12	219,607,595.00	5,737,350,933.17	1,051,506.00	5,736,299,427.17
1944—January	2,188,408,920.48	39,708,268.14	550,627,873.91	2,778,745,062.56	31,846,123.56	2,746,898,939.00
February	2,463,723,221.87	35,124,467.20	254,690,219.08	2,753,537,908.15	250,216,527.32	2,503,321,380.83
March	6,352,535,656.88	41,869,654.41	181,265,999.52	6,575,671,310.81	—	6,575,671,310.81
April	2,935,114,899.07	38,798,898.12	144,677,035.69	3,118,590,832.88	31,711,240.91	3,086,879,591.97
May	3,023,545,057.07	37,894,390.01	194,625,567.29	3,256,044,014.37	305,954,515.40	2,950,089,498.97
June	5,734,169,271.05	28,380,474.60	485,964,693.90	6,248,514,439.55	1,682,460.18	6,246,831,979.37

Period	Expenditures					Total expenditures, including debt retirements	Excess of expenditures including debt retirements	Excess of expenditures excluding debt retirements
	General	War activities <sup>3</sup>	Revolving funds (net)	Transfers to trust accounts, etc. <sup>4</sup>	Total expenditures, including debt retirements	Statutory debt retirements (sinking fund, etc.)		
By fiscal years:								
1932	\$3,499,048,548.89	\$753,166,387.24	\$61,867,202.03	\$221,065,000.00	\$4,535,147,138.16	\$412,029,750.00	\$2,942,051,451.02	\$2,529,421,701.02
1933	2,988,779,846.72	679,694,732.58	73,804,343.18	121,296,000.00	3,863,544,922.43	461,804,800.00	2,245,452,980.97	1,783,548,180.67
1934	4,913,527,176.74	530,744,983.70	495,668,393.83	71,142,700.00	6,011,083,254.12	359,864,092.90	3,255,393,297.49	3,255,529,204.59
1935	5,905,015,737.68	688,521,488.67	345,328,985.37	71,009,100.00	7,069,875,311.72	573,558,250.00	3,782,963,359.76	3,209,408,109.76
1936	5,940,994,107.77	899,510,200.00	11,011,182.19	1,814,154,931.72	8,665,875,311.68	403,240,150.00	4,932,928,556.55	4,549,688,806.55
1937	6,441,508,362.90	928,963,909.90	203,935,759.04	603,400,794.68	8,177,822,755.70	103,971,200.00	3,231,379,955.70	3,149,586,518.83
1938	5,869,408,525.28	1,028,803,575.04	190,627,670.86	219,657,557.18	7,298,822,183.36	65,464,950.00	1,449,625,818.33	1,384,160,831.37
1939	7,226,362,198.48	1,206,081,773.86	92,453,595.38	182,204,012.82	8,707,091,586.54	58,216,450.00	3,600,514,401.25	3,542,267,954.95
1940	7,001,683,960.03	1,657,432,455.90	53,918,945.04	223,754,345.50	8,998,189,706.47	124,184,100.00	3,740,249,136.71	3,611,065,036.71
1941	5,986,225,630.43	26,011,065,089.39	18,394,391.22	331,113,937.25	12,710,629,828.97	69,472,300.00	3,767,678,471.89	3,103,417,971.89
1942	5,595,219,090.49	72,108,802,204.06	39,738,924.15	380,899,986.63	178,885,097.69	94,722,300.00	19,692,245,776.67	19,397,523,476.67
1943	6,187,705,998.64	57,038,671,937.80	38,974,953.65	435,065,622.17	178,885,240.87	3,463,400.00	55,900,705,331.63	53,897,242,531.63
1944				556,110,230.99	93,743,513,213.84	1,650,000.00	49,594,587,893.77	49,594,586,245.77
By months:								
1943—July	337,398,753.31	6,431,390,610.43	702,621.51	344,225,962.52	7,112,468,704.75		5,105,035,325.42	5,105,035,325.42
August	364,790,970.24	7,232,206,853.58	4,775,681.89	15,209,029.34	7,616,982,538.05		4,896,161,032.05	4,896,161,032.05
September	582,517,591.95	6,952,343,935.00	2,307,619.60	2,214,194.94	7,534,708,102.29		2,087,388,494.73	2,087,388,494.73
October	437,705,740.42	6,988,980,653.40	6,674,392.26	36,012,693.61	7,456,024,695.17		5,425,698,300.89	5,425,698,300.89
November	304,065,760.92	7,541,398,939.36	8,425,933.10	2,230,819.36	7,839,269,586.54	1,150.00	5,739,879,648.20	5,739,878,498.20
December	740,331,236.49	6,717,813,907.97	7,797,505.21	1,563,063.86	7,431,910,703.11		1,715,611,275.91	1,715,611,275.91
1944—January	400,438,294.34	7,138,294,052.18	5,908,507.43	36,898,040.16	7,593,681,879.25	10,000.00	4,822,772,940.25	4,822,762,940.25
February	342,418,010.96	7,518,127,130.37	3,107,119.65	4,344,345.87	7,801,982,367.55		5,358,600,986.72	5,358,600,986.72
March	736,178,521.08	7,723,668,536.22	2,530,794.34	6,885,647.26	8,325,181,910.22	500.00	1,931,912,230.32	1,931,911,730.32
April	478,591,496.88	7,345,863,953.56	5,961,018.19	40,236,691.48	7,858,731,123.73		4,771,851,536.21	4,771,851,536.21
May	386,592,973.11	7,879,263,621.53	325,549.29	26,053,514.50	8,291,614,559.85		5,341,557,061.08	5,341,551,061.08
June	1,017,676,648.94	7,567,083,744.26	70,422.04	40,096,228.09	8,624,927,043.33	26,000.00	2,378,059,063.96	2,378,059,063.96

<sup>a</sup> Excess of credits (deduct)<sup>1</sup> Figures beginning with the fiscal year 1937 through Dec. 31, 1939, include amounts formerly classified as expenditures under transfers to trust accounts, etc., for the old-age reserve account which was thereafter designated as the "Federal old-age and survivors insurance trust fund." Figures for 1940 through 1944 are exclusive of reimbursements from the trust fund to the General Fund for administrative expenses as provided under sec. 201 (f) of the Social Security Act Amendments of 1939.<sup>2</sup> Includes deposits resulting from the renegotiation of war contracts. Information regarding the amount of such deposits is not available on the basis of daily Treasury statements. On the basis of covering warrants such deposits totaled \$558,223,780.23 during the fiscal year 1943 and \$2,235,383,011.57 during the fiscal year 1944. Of the latter amount, \$112,754,469.99 represents voluntary return of excessive profits on renegotiated contracts.<sup>3</sup> Expenditures for war activities by Reconstruction Finance Corporation and affiliates are reflected in "Transfers to trust accounts, etc." beginning with fiscal year 1941.<sup>4</sup> Federal contribution to District of Columbia (United States share) included in "Transfers to trust accounts, etc." beginning with fiscal year 1941.

TABLE 1.—Summary of receipts and expenditures, fiscal years 1932 through 1944 and monthly July 1943 through June 1944—Continued

PART B. TRUST ACCOUNTS, ETC.

Period	Receipts						Total receipts
	Federal old-age and survivors insurance trust fund <sup>1</sup>	Unemployment trust fund	Railroad retirement account	Other trust funds and accounts	Increment resulting from reduction in weight of gold dollar	Seigniorage	
<b>By fiscal years:</b>							
1932.....				\$381,250,630.12			\$381,250,630.12
1933.....				280,073,438.80			280,073,438.80
1934.....				233,472,590.63			233,472,590.63
1935.....				300,819,334.35			300,819,334.35
1936.....				2,053,132,867.22			2,053,132,867.22
1937.....	\$267,261,810.97	\$18,949,421.44		837,521,545.82	\$2,811,375,756.72	\$140,111,411.47	\$3,044,848,547.35
1938.....	402,412,232.89	294,439,871.20		762,832,518.88	1,738,019.63	175,789,413.49	2,442,668,795.45
1939.....	529,951,051.81	858,087,109.99		349,275,703.83	1,676,187.53	39,786,924.30	1,460,656,339.82
1940.....	580,200,560.85	958,639,162.80		109,299,289.54	1,094,842.97	90,351,012.40	1,727,031,693.30
1941.....	717,259,011.54	1,113,922,906.42	\$147,813,409.10	408,367,711.86	481,398.61	90,279,427.02	1,917,361,983.80
1942.....	639,859,765.05	1,243,557,217.14	126,883,857.53	659,189,937.33	482,350.49	48,879,863.70	2,119,422,175.09
1943.....	1,190,405,815.78	1,308,524,159.64	143,993,058.91	849,563,668.54	398,606.27	20,190,832.24	2,637,845,261.33
1944.....	1,362,692,147.02	1,506,903,432.25	272,557,049.21	1,116,503,287.51	298,559.69	13,581,830.38	3,926,252,842.21
<b>By months:</b>							
1943—July.....	40,769,450.62	43,630,204.65	160,729,836.07	314,823,641.16	10,292.84		560,023,425.34
August.....	283,802,589.42	312,593,837.94	45,983.61	100,632,915.45	6,517.51		697,141,843.93
September.....	749,418.65	31,231,910.33	73,931.43	115,688,442.21	12,077.04		117,753,782.66
October.....	38,922,998.36	36,734,617.73	33,600,983.61	139,157,154.01	12,510.72		248,478,261.46
November.....	270,967,233.87	260,746,257.77	128,934.43	155,983.61	18,733.35		637,065,476.42
December.....	3,173,798.35	83,423,036.33	155,983.61	114,301,608.90	16,929.37		201,071,317.56
1944—January.....	31,956,571.38	35,983,919.76	34,184,084.21	163,683,276.83	18,580.88		265,826,436.05
February.....	250,216,527.32	263,854,942.79	210,983.61	120,796,741.12	10,334.88		635,089,529.72
March.....	2,955,300.04	43,234,477.47	237,883.01	94,298,784.82	6,630.57		140,743,084.91
April.....	31,711,245.36	43,755,552.48	34,790,103.93	202,197,688.84	6,598.97		312,491,240.48
May.....	305,956,515.60	278,096,438.87	293,032.79	179,010,249.08	20,821.67		793,377,058.01
June.....	191,510,456.05	103,484,238.14	8,105,245.90	230,546,579.44	11,572.29		443,658,089.82

Period	Expenditures <sup>1</sup>						Total expenditures	Excess of receipts or expenditures (-)
	Federal old-age and survivors insurance trust fund <sup>2</sup>	Unemployment trust fund	Railroad retirement account	Other trust funds and accounts	Charges against increment on gold	Transactions in checking accounts of Government agencies, etc. (net)		
By fiscal years:								
1932.....				\$336,437,680.15		\$205,803,006.52	\$592,305,686.67	-\$211,046,056.55
1933.....				285,085,427.53		817,803,904.18	1,102,889,331.71	-822,813,892.91
1934.....				209,908,239.61		734,102,737.93	2,944,070,977.54	1,094,777,369.81
1935.....				237,118,762.87		113,022,629.27	2,886,995,753.57	729,664,549.02
1936.....				2,019,486,888.15		403,828,776.50	2,333,876,046.91	-85,219,878.16
1937.....	\$267,126,969.35	\$18,909,000.00		837,343,848.17		313,840,604.95	1,155,798,156.70	274,888,183.12
1938.....	400,004,062.87	294,386,000.00	\$146,049,056.18	327,047,497.83		313,840,604.95	1,472,032,058.90	254,999,624.40
1939.....	528,791,583.23	750,680,000.00	106,774,077.31	323,540,918.03		313,840,604.95	1,472,032,058.90	254,999,624.40
1940.....	576,705,088.55	836,793,000.00	125,290,073.50	357,655,186.89		313,840,604.95	1,472,032,058.90	254,999,624.40
1941.....	706,844,884.66	957,316,273.97	115,773,514.47	627,638,833.70		313,840,604.95	1,472,032,058.90	254,999,624.40
1942.....	931,314,352.20	1,118,127,110.94	143,743,910.67	753,461,735.74		313,840,604.95	1,472,032,058.90	254,999,624.40
1943.....	1,184,503,977.71	1,243,142,328.20	216,964,800.65	787,913,857.49		313,840,604.95	1,472,032,058.90	254,999,624.40
1944.....	1,359,633,213.80	1,404,167,159.73	216,964,800.65	787,913,857.49		313,840,604.95	1,472,032,058.90	254,999,624.40
By months:								
1943—July.....	695,993.41	42,271,729.43	105,077,544.82	290,984,892.91		725,896,313.90	1,194,926,474.97	-634,903,049.63
August.....	13,938,451.83	308,156,610.80	76,532.79	93,956,017.38		148,256,971.50	566,355,014.36	130,756,529.57
September.....	289,332,214.31	36,222,082.82		85,680,748.91		146,140,378.64	557,482,977.21	-409,727,194.55
October.....	14,549,345.36	31,401,389.33	33,283,427.87	102,447,544.69		199,077,188.15	380,762,095.40	-132,283,830.94
November.....	14,748,446.91	291,498,003.12	114,307.79	104,687,273.17		63,892,471.59	317,216,159.40	289,349,317.02
December.....	291,939,010.25	42,630,410.23	95,579.46	103,807,023.14		428,949,904.64	898,481,927.72	-667,410,586.16
1944—January.....	4,273,605.21	76,317,740.37	34,213,616.42	103,807,023.14		164,751,533.27	280,028,000.43	-14,201,624.37
February.....	115,729,320.56	297,185,937.71	147,272.91	93,908,808.03		331,037,439.07	808,008,778.28	-172,919,245.56
March.....	160,614,713.94	45,988,126.02	403,220.36	137,019,877.12		2,001,789,422.24	2,345,815,360.28	-2,075,072,275.37
April.....	16,494,952.94	34,634,490.04	33,796,648.78	52,590,760.90		87,336,791.85	119,642,222.71	192,849,026.57
May.....	17,126,031.10	285,792,346.22	459,009.06	127,027,811.22		147,889,809.06	578,245,096.65	185,081,931.35
June.....	414,171,057.78	101,488,116.54	7,130,719.47	415,777,192.71		87,805,283.77	1,036,492,370.27	-612,744,280.45

<sup>a</sup> Excess of credits (deduct).<sup>b</sup> Effective Jan. 1, 1940, successor to the old-age reserve account.<sup>c</sup> Includes transactions on account of investments in Government securities.<sup>d</sup> Net war expenditures of the Reconstruction Finance Corporation and affiliates were not classified separately in daily Treasury statements prior to October 1942. The net figure shown for the fiscal year 1943 includes \$2,442,248,130.97 of such war expenditures during the period from Oct. 17, 1942, through June 30, 1943. The figure shown for the fiscal year 1944 includes \$2,081,633,923.52 of such expenditures during that entire year.

TABLE 2.—Receipts and expenditures

[On basis of warrants issued from 1789 to 1915, and on basis of daily Treasury statements for 1916 and sub 1930. Trust accounts excluded for 1931 and subse

Year	Receipts					Ex
	Customs (including tonnage tax)	Internal revenue		Other receipts <sup>2</sup>	Total receipts <sup>3</sup>	
		Income and profits taxes	Other			War Depart- ment (includ- ing rivers and harbors, and Panama Canal) <sup>4</sup>
1789-91	\$4,399,473			\$19,440	\$4,418,913	\$632,804
1792	3,443,071		\$208,943	17,946	3,669,960	1,100,702
1793	4,255,307		337,706	59,910	4,652,923	1,130,249
1794	4,801,065		274,030	356,750	5,431,905	2,639,098
1795	5,588,461		337,755	188,318	6,114,534	2,480,910
1796	6,567,988		475,290	1,334,252	8,377,530	1,200,264
1797	7,549,650		575,491	563,640	8,688,781	1,039,403
1798	7,106,662		644,358	150,076	7,900,496	2,009,522
1799	6,610,449		779,136	157,228	7,546,813	2,466,947
1800	9,080,933		809,396	958,420	10,848,749	2,560,879
1801	10,750,779		1,048,033	1,136,519	12,935,331	1,672,944
1802	12,438,236		621,899	1,935,659	14,995,794	1,179,148
1803	10,479,418		215,180	369,500	11,064,098	822,056
1804	11,098,565		50,941	676,801	11,826,307	875,424
1805	12,936,487		21,747	602,459	13,560,693	712,781
1806	14,667,698		20,101	872,132	15,559,931	1,224,355
1807	15,845,522		13,051	539,446	16,398,019	1,288,686
1808	16,363,551		8,211	688,900	17,060,662	2,900,834
1809	7,296,021		4,044	473,408	7,773,473	3,345,772
1810	8,583,309		7,431	793,475	9,384,215	2,294,324
1811	13,313,223		2,296	1,108,010	14,423,529	2,032,828
1812	8,958,778		4,903	837,452	9,801,133	11,817,798
1813	13,224,623		4,755	1,111,032	14,340,410	19,652,013
1814	5,998,772		1,662,985	3,519,868	11,181,625	20,350,807
1815	7,282,942		4,678,059	3,768,023	15,729,024	14,794,254
1816	36,306,875		5,124,708	6,246,088	47,677,671	16,012,697
1817	26,283,348		2,678,101	4,137,601	33,099,050	8,004,237
1818	17,176,385		955,270	3,453,516	21,585,171	5,622,715
1819	20,283,609		229,594	4,090,172	24,603,375	6,506,300
1820	15,005,612		106,261	2,768,797	17,880,670	2,630,392
1821	13,004,447		69,028	1,499,905	14,573,380	4,461,292
1822	17,589,762		67,666	2,575,000	20,232,428	3,111,981
1823	19,088,433		34,242	1,417,991	20,540,666	3,096,924
1824	17,878,326		34,663	1,468,224	19,381,213	3,340,940
1825	20,098,713		25,771	1,716,374	21,840,858	3,659,914
1826	23,341,332		21,590	1,897,512	25,260,434	3,943,194
1827	19,712,283		19,886	3,234,195	22,966,364	3,938,978
1828	23,205,524		17,452	1,540,654	24,763,630	4,145,545
1829	22,681,966		14,503	2,131,158	24,827,627	4,724,291
1830	21,922,391		12,161	2,909,564	24,844,116	4,767,129
1831	24,224,442		6,934	4,295,445	28,526,821	4,841,836
1832	28,465,237		11,631	3,388,693	31,865,561	5,446,035
1833	29,032,509		2,759	4,913,159	33,948,427	6,704,019
1834	16,214,957		4,196	5,572,783	21,791,936	5,696,189
1835	19,391,311		10,459	16,028,317	35,430,087	5,759,157
1836	23,409,941		370	27,416,485	50,826,796	12,169,227
1837	11,169,290		5,494	13,779,369	24,954,153	13,682,734
1838	16,158,800		2,467	10,141,295	26,302,562	12,897,224
1839	23,137,925		2,553	8,342,271	31,482,749	8,916,996
1840	13,499,502		1,682	5,978,931	19,480,115	7,097,070
1841	14,487,217		3,261	2,369,682	16,860,160	8,805,565
1842	18,187,909		496	1,787,794	19,976,198	6,611,887
1843	7,046,844		103	1,255,755	8,302,702	2,957,300
1844	26,183,571		1,777	3,136,026	29,321,374	5,179,220
1845	27,528,113		3,517	2,438,476	29,970,106	5,732,644
1846	26,712,668		2,897	2,984,402	29,699,967	10,792,867
1847	23,747,865		377	2,747,525	26,495,769	38,305,520
1848	31,757,071		377	3,978,333	35,735,779	25,501,963
1849	28,346,739			2,861,404	31,208,143	14,852,966
1850	30,668,686			3,934,753	43,603,439	9,400,239
1851	49,017,568			3,541,736	52,559,304	11,811,793
1852	47,339,327			2,507,489	49,846,816	8,225,247
1853	58,931,866			2,655,188	61,587,054	9,947,291
1854	64,224,190			9,576,151	73,800,341	11,733,629
1855	53,025,794			12,324,781	65,350,575	14,773,826
1856	64,022,863			10,033,836	74,056,699	16,948,197

Footnotes at end of table.



for the fiscal years 1789 through 1944 <sup>1</sup>

sequent years. See p. 519. General, special, emergency, and trust accounts combined from 1789 through recent years. For explanation of accounts, see p. 520]

penditures, excluding debt retirements				Statutory debt retire- ments (sinking fund, etc.)	Surplus or deficit (—)	
Navy Depart- ment <sup>4</sup>	Interest on the public debt	All other <sup>5</sup>	Total expendi- tures, exclud- ing debt retire- ments		Gross (includ- ing debt retire- ments)	Net (exclud- ing debt retire- ments)
\$570	\$2,349,437	\$1,286,216	\$4,269,027	-----	\$149,886	\$149,886
53	3,201,628	777,149	5,079,532	-----	-1,409,572	-1,409,572
-----	2,772,242	579,822	4,482,313	-----	170,610	170,610
61,409	3,490,293	800,039	6,990,839	-----	-1,558,934	-1,558,934
410,562	3,189,151	1,459,186	7,539,809	-----	-1,425,275	-1,425,275
274,784	3,195,055	996,883	5,726,986	-----	2,650,544	2,650,544
382,632	3,300,043	1,411,556	6,133,634	-----	2,555,147	2,555,147
1,381,348	3,053,281	1,232,353	7,676,504	-----	223,992	223,992
2,858,082	3,186,288	1,155,138	9,666,455	-----	-2,119,642	-2,119,642
3,448,716	3,374,705	1,401,775	10,786,075	-----	62,674	62,674
2,111,424	4,412,913	1,197,301	9,394,582	-----	3,540,749	3,540,749
915,562	4,125,039	1,642,369	7,862,118	-----	7,133,676	7,133,676
1,215,231	3,848,828	1,965,538	7,851,653	-----	3,212,445	3,212,445
1,189,833	4,266,583	2,387,602	8,719,442	-----	3,106,865	3,106,865
1,597,500	4,148,999	4,046,954	10,506,234	-----	3,054,459	3,054,459
1,649,641	3,723,408	3,206,213	9,803,617	-----	5,756,314	5,756,314
1,722,064	3,369,578	1,973,823	8,354,151	-----	8,043,868	8,043,868
1,884,068	3,428,153	1,719,437	9,932,492	-----	7,128,107	7,128,107
2,427,759	2,866,075	1,641,142	10,280,748	-----	-2,507,275	-2,507,275
1,654,244	2,845,428	1,362,514	8,156,510	-----	1,227,705	1,227,705
1,965,566	2,465,733	1,594,210	8,058,337	-----	6,365,192	6,365,192
3,959,365	2,451,273	2,052,335	20,280,771	-----	-10,479,638	-10,479,638
6,446,600	3,599,455	1,983,784	31,681,852	-----	-17,341,442	-17,341,442
7,311,291	4,593,239	2,465,589	34,720,926	-----	-23,539,301	-23,539,301
8,660,000	5,754,569	3,499,276	32,708,139	-----	-16,979,115	-16,979,115
3,908,278	7,213,259	3,453,057	30,586,091	-----	17,090,980	17,090,980
3,314,598	6,389,210	4,135,775	21,843,820	-----	11,255,230	11,255,230
2,953,695	6,016,447	5,232,264	19,825,121	-----	1,760,050	1,760,050
3,847,640	5,163,538	5,946,332	21,463,810	-----	3,139,565	3,139,565
4,387,990	5,126,097	6,116,148	18,260,627	-----	-379,957	-379,957
3,319,243	5,087,274	2,942,944	15,810,753	-----	-1,237,373	-1,237,373
2,224,459	5,172,578	4,491,202	15,000,220	-----	5,232,208	5,232,208
2,503,766	4,922,085	4,183,465	14,706,840	-----	5,833,826	5,833,826
2,904,582	4,996,562	9,084,624	20,326,708	-----	-945,495	-945,495
3,049,084	4,366,769	4,781,462	15,857,229	-----	5,983,629	5,983,629
4,218,902	3,973,481	4,900,220	17,035,797	-----	8,224,637	8,224,637
4,263,877	3,486,072	4,450,241	16,139,168	-----	6,827,196	6,827,196
3,918,786	3,098,501	5,231,711	16,394,843	-----	8,368,787	8,368,787
3,308,745	2,542,843	4,627,454	15,203,333	-----	9,624,294	9,624,294
3,239,429	1,913,533	5,222,975	15,143,066	-----	9,701,050	9,701,050
3,856,183	1,383,583	5,166,049	15,247,651	-----	13,279,170	13,279,170
3,956,370	772,562	7,113,983	17,288,950	-----	14,576,611	14,576,611
3,901,357	303,797	12,108,379	23,017,552	-----	10,930,875	10,930,875
3,956,260	202,153	8,772,967	18,627,569	-----	3,164,367	3,164,367
3,864,939	57,863	7,890,854	17,572,813	-----	17,857,274	17,857,274
5,807,718	-----	12,891,219	30,868,164	-----	19,958,632	19,958,632
6,646,915	-----	16,913,847	37,243,496	-----	-12,289,343	-12,289,343
6,131,596	14,997	14,821,242	33,865,059	-----	-7,562,497	-7,562,497
6,182,294	399,834	11,400,004	26,899,128	-----	4,583,621	4,583,621
6,113,897	174,598	10,932,014	24,317,579	-----	-4,837,464	-4,837,464
6,001,077	284,978	11,474,253	26,565,873	-----	-9,705,713	-9,705,713
8,397,243	773,550	9,423,081	25,205,761	-----	-5,229,563	-5,229,563
3,727,711	523,565	4,649,469	11,858,075	-----	-3,555,373	-3,555,373
6,498,199	1,833,867	8,826,285	22,337,571	-----	6,983,803	6,983,803
6,297,245	1,040,032	9,847,487	22,937,408	-----	7,032,698	7,032,698
6,454,947	842,723	9,676,388	27,766,925	-----	1,933,042	1,933,042
7,900,636	1,119,215	9,956,041	57,281,412	-----	-30,785,643	-30,785,643
9,408,476	2,390,825	8,075,962	45,377,222	-----	-9,641,447	-9,641,447
9,786,706	3,565,578	16,846,407	45,051,657	-----	-13,843,514	-13,843,514
7,904,709	3,782,331	18,456,213	39,543,492	-----	4,059,947	4,059,947
9,005,931	3,696,721	23,194,572	47,709,017	-----	4,850,287	4,850,287
8,952,801	4,000,298	23,016,573	44,194,919	-----	5,651,897	5,651,897
10,918,781	3,665,833	23,652,503	48,184,111	-----	13,402,943	13,402,943
10,798,586	3,071,017	32,441,630	58,044,862	-----	15,755,479	15,755,479
13,312,024	2,314,375	29,342,443	59,742,068	-----	5,607,907	5,607,907
14,091,781	1,953,822	36,577,226	69,571,026	-----	4,485,673	4,485,673

TABLE 2.—Receipts and expenditures

Year	Receipts					Ex
	Customs (including tonnage tax)	Internal revenue		Other receipts <sup>1</sup>	Total receipts <sup>2</sup>	
		Income and profits taxes	Other			War Depart- ment (includ- ing rivers and harbors, and Panama Canal) <sup>4</sup>
1857	\$63,875,905			\$5,089,408	\$68,965,313	\$19,261,774
1858	41,789,621			4,865,745	46,655,366	25,485,383
1859	49,565,824			3,920,641	53,486,465	23,243,823
1860	53,187,512			2,877,096	56,064,608	16,409,767
1861	39,582,126			1,927,805	41,509,931	22,981,150
1862	49,056,398			2,931,058	51,987,456	394,368,407
1863	69,059,642	\$2,741,858	\$34,898,930	5,996,861	112,697,291	599,298,601
1864	102,316,153	20,294,732	89,446,402	52,569,484	264,626,771	690,791,843
1865	84,928,261	60,979,329	148,484,886	39,322,129	333,714,605	1,031,323,361
1866	179,046,652	72,982,159	236,244,654	69,759,155	558,032,620	284,449,702
1867	176,417,811	66,014,429	200,013,108	48,188,662	490,634,010	95,224,415
1868	164,464,600	41,455,598	149,631,991	50,085,894	405,638,083	123,246,648
1869	180,048,427	34,791,856	123,564,605	32,538,859	370,943,747	78,501,991
1870	194,538,374	37,775,874	147,123,882	31,817,347	411,255,477	57,655,676
1871	206,270,408	19,162,651	123,935,503	33,955,383	383,323,945	35,799,992
1872	216,370,287	14,436,862	116,205,316	27,094,403	374,106,868	35,372,157
1873	188,089,523	5,062,312	108,667,002	31,919,368	333,738,205	46,323,138
1874	163,103,834	139,472	102,270,313	39,465,137	304,978,756	42,313,927
1875	157,167,722	233	110,007,261	20,824,835	288,000,051	41,120,646
1876	148,071,985	588	116,700,144	29,323,148	294,095,865	38,070,889
1877	130,956,493	98	118,630,310	31,819,518	281,406,419	37,082,736
1878	130,170,680		110,581,625	17,011,574	257,763,879	32,154,148
1879	137,250,048		113,561,611	23,015,526	273,827,185	40,425,661
1880	186,522,064		124,009,374	22,995,173	333,526,611	38,116,916
1881	198,159,676	3,022	135,261,364	27,358,231	360,782,293	40,466,461
1882	220,410,730		146,497,596	36,616,924	403,525,250	43,570,494
1883	214,706,497		144,720,369	38,860,716	398,287,582	48,911,383
1884	195,067,490	55,628	121,530,445	31,866,307	348,519,870	39,429,603
1885	181,471,939		112,498,726	29,720,041	323,690,706	42,670,578
1886	192,905,023		116,805,936	26,728,767	336,439,726	34,324,153
1887	217,286,893		118,823,391	35,292,993	371,403,277	38,561,026
1888	219,091,174		124,296,872	35,878,029	379,266,075	38,522,436
1889	223,832,742		130,881,514	32,335,803	387,050,059	44,435,271
1890	229,668,585		142,606,706	30,805,693	403,080,984	44,582,838
1891	219,522,205		145,686,250	27,403,992	392,612,447	48,720,065
1892	177,452,964		153,971,072	23,513,748	354,937,784	46,895,456
1893	203,355,017		161,027,624	21,436,988	385,819,629	49,641,773
1894	131,818,531		147,111,233	27,425,552	306,355,316	54,567,930
1895	152,158,617	77,131	143,344,541	29,149,130	324,729,419	51,804,759
1896	160,021,752		146,762,865	31,357,830	338,142,447	50,830,921
1897	176,554,127		146,688,574	24,479,004	347,721,705	48,950,268
1898	149,575,062		170,960,642	84,845,631	405,321,335	91,992,000
1899	206,128,482		273,437,162	36,394,977	515,960,621	229,841,254
1900	233,164,871		295,327,927	38,748,054	567,240,852	134,774,768
1901	238,585,456		307,180,664	41,919,218	587,685,338	144,615,697
1902	254,444,708		271,880,122	36,153,403	562,478,233	112,272,216
1903	284,479,582		230,810,124	46,591,016	561,880,722	118,629,505
1904	261,274,565		232,904,119	46,908,401	541,087,085	165,199,911
1905	261,798,857		231,095,741	48,380,087	544,274,685	126,093,894
1906	300,251,878		249,150,213	45,582,355	594,984,446	137,326,066
1907	332,233,363		269,666,773	63,960,250	665,860,386	149,775,084
1908	286,113,130		251,711,127	64,037,650	601,861,907	175,840,453
1909	300,711,934		246,212,644	57,395,920	604,320,498	192,486,904
1910	333,683,445	20,951,781	268,981,738	51,894,751	675,511,715	189,823,379
1911	314,497,071	33,516,977	289,012,224	64,806,639	701,832,911	197,199,491
1912	311,321,672	28,583,304	293,028,896	59,675,332	692,609,204	184,122,793
1913	318,891,396	35,006,300	309,410,666	60,802,868	724,111,230	202,128,711
1914	292,320,014	71,381,275	308,659,733	62,312,145	734,673,167	208,349,746
1915	209,786,672	80,201,759	335,467,887	72,454,509	697,910,827	202,160,134
1916	213,185,846	124,937,253	387,764,776	56,646,673	782,534,548	183,176,439
1917	225,962,393	359,681,228	449,684,980	88,996,194	1,124,324,795	377,940,870
1918	179,998,385	2,314,006,292	872,028,020	298,550,168	3,664,582,865	4,869,955,286
1919	184,457,867	3,018,783,687	1,296,501,292	652,514,290	5,152,257,136	9,009,075,789
1920	322,902,650	3,944,949,288	1,460,082,287	966,631,164	6,694,565,389	1,621,953,095
1921	308,564,391	3,206,046,158	1,390,379,823	719,942,589	5,624,932,961	1,118,076,423
1922	356,443,387	2,068,128,193	1,145,125,064	539,407,507	4,109,104,151	457,756,139
1923	561,928,867	1,678,607,428	945,865,333	820,733,853	4,007,135,481	397,050,596
1924	545,637,504	1,842,144,418	953,012,618	671,250,162	4,012,044,702	357,016,878

Footnotes at end of table.

for the fiscal years 1789 through 1944 <sup>1</sup>—Continued

penditures, excluding debt retirements				Statutory debt retire- ments (sink- ing fund, etc.)	Surplus or deficit (—)	
Navy Depart- ment <sup>4</sup>	Interest on the public debt	All other <sup>5</sup>	Total expend- itures, exclud- ing debt retire- ments		Gross (Includ- ing debt retire- ments)	Net (exclud- ing debt retire- ments)
\$12,747,977	\$1,678,265	\$34,107,692	\$67,795,708		\$1,169,605	\$1,169,605
13,984,551	1,567,056	33,148,280	74,185,270		-27,529,904	-27,529,904
14,642,990	2,638,464	28,545,700	69,070,977		-15,584,512	-15,584,512
11,514,965	3,177,315	32,028,551	63,130,598		-7,065,990	-7,065,990
12,420,888	4,000,174	27,144,433	66,546,645		-25,036,714	-25,036,714
42,668,277	13,190,325	24,534,810	474,761,819		-422,774,363	-422,774,363
63,221,964	24,720,847	27,490,313	714,740,725		-602,043,434	-602,043,434
85,725,995	53,685,422	35,119,382	865,322,642		-600,695,871	-600,695,871
122,612,945	77,397,712	66,221,206	1,297,555,224		-963,840,619	-963,840,619
43,324,118	133,067,742	59,967,855	520,809,417		37,223,203	37,223,203
31,034,011	143,781,692	87,502,657	357,542,675		133,091,335	133,091,335
25,775,503	140,424,046	87,894,088	377,340,285		28,297,798	28,297,798
20,000,758	130,694,243	93,668,286	322,865,278		48,078,469	48,078,469
21,780,230	129,235,498	100,982,157	309,653,561		101,601,916	101,601,916
19,431,027	125,576,566	111,369,603	292,177,188		91,146,757	91,146,757
21,249,810	117,357,840	103,538,156	277,517,963		96,588,905	96,588,905
23,526,257	104,750,688	115,745,162	290,345,245		43,392,960	43,392,960
30,932,587	107,119,815	122,267,544	302,633,573		2,344,883	2,344,883
21,497,626	103,093,545	108,911,576	274,623,393		13,376,658	13,376,658
18,963,310	100,243,271	107,823,615	265,101,085		28,994,780	28,994,780
14,959,935	97,124,512	92,167,292	241,334,475		40,071,944	40,071,944
17,365,301	102,500,875	84,944,003	236,964,327		20,799,552	20,799,552
15,125,127	105,327,949	106,069,147	266,947,884		6,879,301	6,879,301
13,536,985	95,757,575	120,231,482	267,642,958		65,883,653	65,883,653
15,686,672	82,508,741	122,051,014	260,712,888		100,069,405	100,069,405
15,032,046	71,077,207	128,301,693	257,981,440		145,543,810	145,543,810
15,283,437	59,160,131	142,053,187	265,408,138		132,879,444	132,879,444
17,292,601	54,578,379	132,825,661	244,126,244		104,393,626	104,393,626
16,021,080	51,386,256	150,149,021	260,226,935		63,463,771	63,463,771
13,907,888	50,580,146	143,670,952	242,483,139		93,956,587	93,956,587
15,141,127	47,741,577	166,488,451	267,932,181		103,471,096	103,471,096
16,926,438	44,715,007	167,760,920	267,924,801		111,341,274	111,341,274
21,378,809	41,001,484	192,473,414	299,288,978		87,761,081	87,761,081
22,006,206	36,099,284	215,352,383	318,040,711		85,040,273	85,040,273
26,113,896	37,547,135	253,392,808	365,773,904		26,838,543	26,838,543
29,174,139	23,378,116	245,575,620	345,023,331		9,914,453	9,914,453
30,136,084	27,264,392	276,435,704	383,477,953		2,341,676	2,341,676
31,701,294	27,841,406	253,414,651	367,525,281		-61,169,965	-61,169,965
28,797,796	30,978,030	244,614,713	356,195,298		-31,465,879	-31,465,879
27,147,732	35,385,029	238,815,764	352,179,446		-14,036,999	-14,036,999
34,561,546	37,791,110	244,471,235	365,774,159		-18,052,454	-18,052,454
58,823,985	37,585,056	254,967,542	443,368,583		-38,047,248	-38,047,248
63,942,104	39,896,925	271,391,896	605,072,179		-89,111,558	-89,111,558
55,953,078	40,160,333	289,972,668	520,860,847		46,380,005	46,380,005
60,506,978	32,342,979	287,151,271	524,616,925		63,068,413	63,068,413
67,803,128	29,108,045	276,050,860	485,234,249		77,243,984	77,243,984
82,618,034	28,556,349	287,202,239	517,006,127		44,874,595	44,874,595
102,950,102	24,646,490	290,857,397	583,659,900		-42,572,815	-42,572,815
117,550,308	24,590,944	299,043,768	567,278,914		-23,004,229	-23,004,229
110,474,264	24,308,576	298,093,372	570,202,278		24,782,168	24,782,168
97,128,469	24,481,158	307,744,131	579,128,842		86,731,544	86,731,544
118,037,097	21,426,138	343,892,632	659,196,320		-57,334,413	-57,334,413
115,546,011	21,803,836	363,907,134	693,743,885		-89,423,387	-89,423,387
123,173,717	21,342,979	359,276,990	693,617,065		-18,105,350	-18,105,350
119,937,644	21,311,334	352,753,043	691,201,512		10,631,399	10,631,399
135,591,956	22,616,300	347,550,285	689,881,334		2,727,870	2,727,870
133,262,862	22,899,108	366,221,282	724,511,963		-400,733	-400,733
139,682,186	22,863,957	364,185,542	735,081,431		-408,264	-408,264
141,835,654	22,902,897	393,688,117	760,586,802		-62,675,975	-62,675,975
153,853,567	22,906,869	374,125,327	734,056,202		48,478,346	48,478,346
239,632,757	24,742,702	1,335,365,422	1,977,681,751		-853,356,956	-853,356,956
1,278,840,457	159,743,277	6,358,163,421	12,696,702,471	\$1,134,234	-9,033,253,840	-9,032,119,606
2,002,310,785	619,215,569	6,884,277,812	18,514,879,955	8,014,750	-13,370,637,569	-13,362,622,819
736,021,456	1,020,251,622	3,025,117,668	6,403,313,841	78,746,350	212,475,198	291,221,548
650,373,836	599,144,731	2,348,332,700	5,115,927,690	422,281,500	86,723,771	509,005,271
476,775,194	991,000,759	1,447,075,808	3,372,607,900	422,694,600	313,801,651	736,496,251
333,201,362	1,055,923,690	1,508,451,881	3,294,627,529	402,850,491	309,657,461	712,507,952
332,249,137	940,602,913	1,418,809,037	3,048,677,965	457,999,750	505,366,987	963,366,737

TABLE 2.—Receipts and expenditures

Year	Receipts					Ex
	Customs (including <sup>7</sup> tonnage tax)	Internal revenue		Other receipts <sup>2</sup>	Total receipts <sup>3</sup>	War Depart- ment (includ- ing rivers and harbors, and Panama Canal) <sup>4</sup>
		Income and profits taxes	Other			
1925	\$547,561,226	\$1,760,537,824	\$828,638,068	\$643,411,567	\$3,780,148,685	\$370,980,708
1926	579,430,093	1,982,040,088	855,599,289	545,686,220	3,962,755,690	364,089,945
1927	605,499,983	2,224,992,800	644,421,542	654,480,116	4,129,394,441	369,114,122
1928	568,986,188	2,173,952,557	621,018,666	678,390,745	4,042,348,156	400,959,683
1929	602,262,786	2,330,711,823	607,307,549	492,968,067	4,033,250,225	425,947,194
1930	587,000,903	2,410,986,978	628,308,036	551,645,785	4,177,941,702	464,853,511
1931	378,354,005	1,860,394,295	569,386,721	381,563,611	3,189,638,632	478,418,974
1932	327,754,969	1,057,335,853	503,670,481	116,964,134	2,005,725,437	476,305,311
1933	250,750,251	746,206,445	858,217,512	224,522,534	2,079,696,742	434,620,860
1934	313,434,302	817,961,481	1,822,642,347	161,515,919	3,115,554,050	408,586,783
1935	343,353,034	1,099,118,638	2,178,571,390	179,424,141	3,800,467,202	487,995,220
1936	386,811,594	1,426,575,434	2,086,276,174	216,293,413	4,115,956,615	618,587,184
1937	486,356,599	2,163,413,817	2,168,726,286	210,343,535	5,028,840,237	628,104,285
1938	359,187,249	2,640,284,711	2,647,033,726	208,155,541	5,854,661,227	644,263,842
1939	318,837,311	2,188,757,289	2,469,463,558	187,765,468	5,164,823,626	695,256,481
1940	348,590,636	2,125,324,635	2,640,097,620	273,111,779	5,387,124,670	907,160,151
1941	391,870,013	3,439,637,849	3,230,736,400	514,967,590	7,607,211,852	3,938,943,048
1942	388,948,427	7,960,464,973	4,163,739,712	285,848,509	12,799,061,621	14,325,508,098
1943	324,290,778	16,093,668,781	4,947,297,425	<sup>8</sup> 916,385,725	22,281,642,709	42,525,562,523
1944	431,252,168	34,654,851,852	5,770,620,418	<sup>8</sup> 3,292,202,529	44,148,926,968	49,438,330,158

NOTE.—For postal receipts and expenditures, see table 17. Figures are rounded to nearest dollar and will not necessarily add to totals.

<sup>1</sup> From 1789 to 1842 the fiscal year ended Dec. 31; from 1844 to date, on June 30. Figures for 1843 are for a half year, Jan. 1 to June 30.

<sup>2</sup> Comprises railroad unemployment insurance contributions, proceeds of Government-owned securities, Panama Canal tolls, etc., seigniorage, and other miscellaneous. For details of Panama Canal receipts, see table 14.

<sup>3</sup> Total receipts are exclusive of net receipts under Title VIII of the Social Security Act. Amounts representing appropriations equal to "Social security taxes-Federal Insurance Contributions Act" collected and deposited under sec. 201 (a) of the Social Security Act Amendments of 1939, less reimbursements to the General Fund for administrative expenses, are deducted on the daily Treasury statement from total receipts. Such amounts are reflected under trust account receipts as net appropriations to the Federal old-age and survivors insurance trust fund.

for the fiscal years 1789 through 1944 <sup>1</sup>—Continued

penditures, excluding debt retirements				Statutory debt retire- ments (sinking fund, etc.)	Surplus or deficit (—)	
Navy Depart- ment <sup>4</sup>	Interest on the public debt	All other <sup>4</sup>	Total expend- itures, exclud- ing debt re- tirements		Gross (includ- ing debt retire- ments)	Net (exclud- ing debt re- tirements)
\$346, 142, 001	\$881, 806, 662	\$1, 464, 175, 961	\$3, 063, 105, 332	\$466, 538, 114	\$250, 505, 239	\$717, 043, 353
312, 743, 410	831, 937, 700	1, 588, 840, 768	3, 097, 611, 823	487, 376, 051	377, 767, 816	865, 143, 867
318, 909, 096	787, 019, 578	1, 498, 986, 878	2, 974, 029, 674	519, 554, 845	635, 809, 921	1, 155, 304, 766
331, 335, 492	731, 764, 476	1, 639, 175, 204	3, 103, 264, 855	540, 255, 020	398, 828, 281	939, 083, 301
364, 561, 544	678, 330, 400	1, 830, 020, 348	3, 298, 559, 486	549, 603, 704	184, 787, 035	734, 390, 739
374, 165, 639	659, 347, 613	1, 941, 902, 117	3, 410, 268, 884	553, 883, 603	183, 789, 215	737, 672, 818
354, 071, 004	611, 559, 704	2, 207, 466, 030	3, 651, 515, 712	440, 082, 000	-901, 959, 080	-461, 877, 680
357, 517, 834	599, 276, 631	3, 102, 047, 362	4, 535, 147, 138	412, 629, 750	-2, 942, 051, 451	-2, 529, 421, 701
349, 372, 794	689, 365, 106	2, 390, 186, 162	3, 863, 544, 922	461, 604, 800	-2, 245, 452, 981	-1, 783, 848, 181
296, 927, 490	756, 617, 127	4, 548, 951, 854	6, 011, 083, 254	359, 864, 093	-3, 255, 393, 297	-2, 895, 529, 205
436, 265, 532	820, 926, 353	5, 264, 688, 207	7, 009, 875, 312	573, 558, 250	-3, 782, 966, 360	-3, 209, 408, 110
528, 882, 143	749, 396, 802	6, 768, 779, 293	8, 665, 645, 422	403, 240, 150	-4, 952, 928, 957	-4, 549, 688, 807
556, 674, 066	866, 384, 331	6, 126, 246, 074	8, 177, 408, 756	103, 971, 200	-3, 252, 539, 719	-3, 148, 568, 519
596, 129, 739	926, 280, 714	5, 072, 147, 863	7, 238, 822, 158	65, 464, 950	-1, 449, 625, 881	-1, 384, 160, 931
672, 722, 327	940, 539, 764	6, 398, 573, 009	8, 707, 091, 581	58, 246, 450	-3, 600, 514, 405	-3, 542, 267, 955
891, 484, 523	1, 040, 935, 697	6, 158, 609, 335	8, 998, 189, 706	129, 184, 100	-3, 740, 249, 137	-3, 611, 065, 037
2, 313, 057, 956	1, 110, 692, 812	5, 317, 936, 008	12, 710, 629, 824	64, 260, 500	-5, 167, 678, 472	-5, 103, 417, 972
8, 579, 588, 976	1, 260, 085, 336	8, 231, 402, 688	32, 396, 585, 098	94, 722, 300	-19, 692, 245, 777	-19, 597, 523, 477
20, 888, 349, 026	1, 808, 160, 396	12, 956, 813, 297	78, 178, 885, 241	3, 463, 400	-55, 900, 705, 932	-55, 897, 242, 532
26, 537, 633, 877	2, 608, 979, 806	15, 158, 569, 373	93, 743, 513, 214	1, 650	-49, 594, 587, 896	-49, 594, 586, 246

<sup>4</sup> Excludes civil expenditures under War and Navy Departments in Washington, to and including fiscal year 1915. For details of Panama Canal expenditures, see table 14. Additional expenditures for "War activities" are reflected in the column "All other." Complete expenditures for "War activities" are shown in table 4.

<sup>5</sup> Includes civil expenditures under War and Navy Departments in Washington, to and including fiscal year 1915, and unavailable funds charged off under act of June 3, 1922 (42 Stat. 1592).

<sup>6</sup> Receipts and public debt retirements for 1921 exclude \$4,842,066.45 written off the public debt Dec. 31, 1920. See note 4, p. 664.

<sup>7</sup> Beginning with the fiscal year 1932, tonnage tax has been covered into the Treasury as miscellaneous receipts reflected in column "Other receipts."

<sup>8</sup> Includes deposits resulting from the renegotiation of war contracts. Information regarding the amount of such deposits is not available on the basis of daily Treasury statements. On the basis of covering warrants such deposits totaled \$558,223,780.25 (revised) during the fiscal year 1943 and \$2,235,383,011.57 during the fiscal year 1944. Of the latter amount, \$112,784,469.99 represents voluntary return of excessive profits on renegotiated contracts.

## Detailed tables on receipts and expenditures

TABLE 3.—Classification of monthly and total receipts, fiscal year 1944, and comparative totals, fiscal year 1943

[On basis of daily Treasury statements, see p. 519]

## PART A. GENERAL AND SPECIAL ACCOUNTS

Source	Fiscal year 1944						
	July 1943	August 1943	September 1943	October 1943	November 1943	December 1943	January 1944
Internal revenue:							
Income tax:							
Withheld by employers (Current Tax Payment Act of 1943).....	\$19,378,195.75	\$547,726,863.88	\$673,851,457.73	\$557,273,304.85	\$1,010,028,170.54	\$713,231,196.61	\$573,947,172.44
Other.....	1,235,556,087.61	1,015,890,141.24	4,001,433,231.62	746,218,620.74	459,340,149.44	4,323,583,133.72	1,153,036,155.59
Miscellaneous internal revenue.....	511,767,251.74	725,671,990.53	344,063,171.47	463,747,183.91	363,040,566.71	386,031,421.19	412,094,155.45
Social security taxes:							
Employment taxes.....	43,584,112.52	286,625,213.12	3,017,894.22	41,512,483.71	273,586,749.22	3,570,990.36	33,818,617.93
Tax on employers of 8 or more (employ- ment taxes).....	3,225,763.52	8,051,282.60	1,093,449.46	3,031,359.16	10,478,393.64	1,145,242.51	14,221,590.25
Taxes upon carriers and their employees (employment taxes).....	1,118,999.47	15,026,994.69	46,175,237.82	1,091,396.12	8,203,193.74	52,914,126.66	1,231,228.79
Railroad unemployment insurance contribu- tions.....	6,639.69	131,423.37	2,486,319.91	135,211.91	151,549.84	2,706,841.26	14,239.27
Customs.....	32,883,380.55	38,956,113.86	30,744,727.74	38,441,793.49	34,367,776.00	34,107,224.12	39,708,268.14
Miscellaneous receipts:							
Proceeds of Government-owned securities:							
Principal—foreign obligations.....						87,622.19	
Interest—foreign obligations.....						146,292.87	
Other.....	25,395,676.94	12,170,725.85	218,650.83	462,013.55	1,051,356.83	6,920,310.32	30,050,454.87
Panama Canal tolls, etc.....	662,303.26	1,097,581.17	431,717.94	393,965.17	1,742,366.75	543,883.33	403,117.18
Seigniorage.....	3,286,598.70	2,636,160.85	2,966,710.51	4,216,793.13	4,023,319.46	2,589,624.57	2,321,930.45
Other miscellaneous.....	171,319,869.40	347,639,554.26	251,090,248.84	212,695,290.87	214,295,500.10	206,663,120.46	517,835,112.17
Total receipts.....	2,048,184,838.15	3,004,624,065.42	5,447,574,848.09	2,059,249,392.64	2,370,358,352.21	5,737,350,493.17	2,778,745,062.56
Deduct:							
Net appropriation to Federal old-age and survivors insurance trust fund.....	40,761,458.82	283,802,589.42	195,240.53	38,922,998.36	270,967,263.87	1,051,506.00	31,846,123.56
Net receipts.....	2,007,423,379.33	2,720,821,505.00	5,447,379,607.56	2,030,326,394.28	2,099,391,088.34	5,736,299,427.17	2,746,898,939.00

Source	Fiscal year 1944					Total fiscal year 1944	Total fiscal year 1943
	February 1944	March 1944	April 1944	May 1944	June 1944		
Internal revenue:							
Income tax:							
Withheld by employers (Current Tax Payment Act of 1943).....	\$1,137,147,235.61	\$749,986,449.03	\$560,363,218.63	\$1,103,714,950.14	\$746,108,291.05	\$8,392,786,506.27	-----
Other.....	609,617,937.86	5,161,428,119.28	1,914,854,945.06	1,063,236,957.39	4,494,799,016.33	26,262,065,345.60	\$16,093,638,781.14
Miscellaneous internal revenue.....	344,135,645.93	374,577,110.18	421,141,994.03	519,528,051.47	422,188,220.64	5,291,039,059.31	4,352,649,598.00
Social security taxes:							
Employment taxes:	252,219,021.69	4,403,625.28	35,135,736.85	309,381,007.09	5,106,951.68	1,292,122,433.67	1,130,495,200.70
Tax on employers of 8 or more (employment taxes).....	116,528,569.63	3,559,367.19	3,265,164.31	14,250,357.85	1,088,646.40	179,909,392.52	158,360,527.25
Taxes upon carriers and their employees (employment taxes).....	4,054,811.15	58,580,985.92	353,840.19	13,433,733.13	64,577,044.92	267,064,592.60	208,794,892.19
Railroad unemployment insurance contributions.....	75,113.78	2,847,794.57	7,176.10	97,478.23	3,483,216.60	12,143,004.53	10,298,593.90
Customs.....	35,124,407.20	41,869,654.41	38,798,898.12	37,869,390.01	28,380,474.60	431,252,168.24	324,290,778.06
Miscellaneous receipts:							
Proceeds of Government-owned securities:							
Principal—foreign obligations.....	-----	-----	-----	-----	3,730.86	91,353.05	6,844.86
Interest—foreign obligations.....	3,521,140.53	450,060.00	318,661.40	808,347.12	144,714.20	291,007.07	162,100.70
Other.....	1,075.00	1,534,861.08	491,464.22	675,088.75	6,007,801.83	87,405,189.17	60,302,447.00
Panama Canal tolls, etc.....	1,682,218.73	2,133,306.38	3,043,533.65	6,819,827.75	7,421,258.12	8,398,701.97	8,698,485.49
Seigniorage.....	249,410,662.04	174,279,977.20	140,814,200.32	186,224,825.44	468,897,038.42	42,704,874.18	77,111,044.72
Other miscellaneous.....	-----	-----	-----	-----	-----	23,141,168,399.52	3,799,836,208.53
Total receipts.....	2,753,537,908.15	6,575,671,310.81	3,118,590,832.83	3,256,040,014.37	6,248,514,439.55	45,408,442,028.00	23,384,645,502.54
Deduct:							
Net appropriation to Federal old-age and survivors insurance trust fund.....	250,216,527.32	2,401,130.91	31,711,245.36	305,956,515.60	1,082,460.18	1,259,515,059.93	1,103,002,793.30
Net receipts.....	2,503,321,380.83	6,573,270,179.90	3,086,879,587.52	2,950,083,498.77	6,246,831,979.37	44,148,926,968.07	22,281,642,709.24

<sup>1</sup> Represents appropriations equal to "Social security taxes—Federal Insurance Contributions Act" collected and deposited as provided under sec. 201 (a) of the Social Security Act Amendments of 1939 less reimbursements to the General Fund for administrative expenses in the amount reflected under receipts for the Federal old-age and survivors insurance trust fund.

<sup>2</sup> Includes deposits resulting from the renegotiation of war contracts. Information regarding the amount of such deposits is not available on the basis of daily Treasury statements. On the basis of covering warrants such deposits totaled \$35,223,730.23 (revised) during the fiscal year 1943 and \$2,235,353,011.57 during the fiscal year 1944. Of the latter amount, \$112,784,469.99 represents voluntary return of excessive profits on renegotiated contracts.

<sup>3</sup> Includes \$9,815,513.68 representing repayment of amounts paid to the Commodity Credit Corporation for capital impairment.

TABLE 3.—*Classification of monthly and total receipts, fiscal year 1944, and comparative totals, fiscal year 1943—Continued*  
PART B. TRUST ACCOUNTS, ETC.

Source	Fiscal year 1944						January 1944
	July 1943	August 1943	September 1943	October 1943	November 1943	December 1943	
Federal old-age and survivors insurance trust fund:							
Appropriations.....	\$43,584,112.52	\$286,625,243.12	\$3,017,894.22	\$41,542,483.71	\$273,586,749.22	\$3,470,990.36	\$33,848,617.93
Less reimbursements to General Fund.....	2,822,653.70	2,822,653.70	2,822,653.69	2,619,455.35	2,619,485.35	2,619,484.36	2,002,494.37
Net appropriations.....	40,761,458.82	283,802,589.42	195,240.53	38,922,998.36	270,967,263.87	1,051,506.00	31,846,123.56
Interest on investments.....	7,991.80		554,178.12			2,122,292.35	110,450.82
Net receipts.....	40,769,450.62	283,802,589.42	749,418.65	38,922,998.36	270,967,263.87	3,173,798.35	31,956,574.38
Agricultural Marketing Administration:							
Sale of commodity stamps.....					a 2,000,000.00		
Transfers from General Fund.....	• 840,031.50						
Railroad retirement account:							
Interest on investments.....	9,836.07	45,983.61	73,931.43	100,983.61	128,334.43	155,983.61	184,684.21
Transfers from General Fund.....	160,729,000.60			33,500,000.00			34,063,000.00
Unemployment trust fund:							
Deposits by States.....	43,627,836.80	299,709,112.13	8,854,896.66	35,507,237.99	289,374,596.60	14,237,823.30	35,787,191.07
Interest on investments.....						44,823,437.49	
Railroad unemployment insurance account:							
Deposits by Railroad Retirement Board.....	62,367.85	1,185,025.81	22,377,013.67	1,217,379.74	1,371,661.17	24,361,775.54	196,728.69
Transfers from railroad unemployment insurance administration fund (act Oct. 10, 1940).....		11,699,700.00					
Other trust accounts:							
Adjusted service certificate fund:							
Interest on loans and investments.....	2,094.71	423,067.49	a 417,458.25	65.43	3,062.05	3,557.93	712,274.29
Alaska Railroad retirement fund:							
Deductions from employees' salaries, etc.....	13,178.71	232.76	11,556.03	12,232.65	15,146.69	12,488.42	11,389.77
Interest on investments.....	20.33	51.58	78.69	170.49	116.28	98.91	184.48
Transfers from General Fund (United States share).....	175,000.00						
Canal Zone retirement fund:							
Deductions from employees' salaries, etc.....	106,526.53	190,414.70	96,837.46	16,993.51	187,254.97	15,858.53	179,627.39
Interest on investments.....	23.72	163.44	9.84	131.15	332.24	553.88	308.96
Transfers from General Fund (United States share).....	1,177,000.00						



Source	Fiscal year 1944					Total fiscal year 1944	Total fiscal year 1943
	February 1944	March 1944	April 1944	May 1944	June 1944		
<b>Federal old-age and survivors insurance trust fund:</b>							
Appropriations.....	\$252,219,021.69	\$4,403,625.28	\$35,135,736.85	\$309,381,007.09	\$5,106,951.08	\$1,292,122,433.67	\$1,130,495,200.70
Less reimbursements to General Fund.....	2,002,494.37	2,002,494.37	3,424,491.49	3,424,491.49	3,424,491.50	32,607,373.74	27,492,407.40
Net appropriations <sup>4</sup> .....	250,216,527.32	2,401,130.91	31,711,245.36	305,956,515.60	1,682,460.18	1,259,515,059.93	1,103,002,793.30
Interest on investments.....		554,178.13			99,827,995.87	103,177,087.09	87,403,022.48
Net receipts.....	250,216,527.32	2,955,309.04	31,711,245.36	305,956,515.60	101,510,456.05	1,362,692,147.02	1,190,405,815.78
<b>Agricultural Marketing Administration:</b>							
Sale of commodity stamps.....						2,840,031.50	84,513,407.25
Transfers from General Fund.....							70,555,322.00
Railroad retirement account:							
Interest on investments.....	210,983.61	237,883.01	290,163.93	293,032.79	8,105,245.90	9,837,049.21	5,776,849.34
Transfers from General Fund.....			34,500,000.00			262,720,000.00	214,801,000.00
Unemployment trust fund:							
Deposits by States.....	263,180,502.06	17,603,249.97	43,714,456.43	277,210,107.20	20,430,959.91	1,349,306,970.12	1,217,885,690.47
Interest on investments.....					51,704,326.93	96,527,764.42	82,423,737.23
Railroad unemployment insurance account:							
Deposits by Railroad Retirement Board.....	674,430.73	25,631,227.50	71,096.05	877,331.67	31,348,949.30	109,374,997.72	92,441,371.94
Transfers from railroad unemployment insurance administration fund (act Oct. 10, 1940).....						11,659,700.00	5,973,300.00
Other trust accounts:							
Adjusted service certificate fund:							
Interest on loans and investments.....	1,026.57	1,388.59	3,833.42	2,995.37	12,683.80	748,591.40	735,574.25
Alaska Railroad retirement fund:							
Deductions from employees' salaries, etc.	12,856.10	27,340.37	24,273.37	15,125.12	15,691.07	171,531.06	176,014.23
Interest on investments.....	52.68				66,983.93	67,757.37	59,403.06
Transfers from General Fund (United States share).....						175,000.00	175,000.00
Canal Zone retirement fund:							
Deductions from employees' salaries, etc.	12,490.85	93,055.90	186,522.88	97,513.67	95,204.25	1,278,300.75	1,131,191.98
Interest on investments.....	658.47	891.80	594.10	544.26	357,662.35	361,964.22	310,496.20
Transfers from General Fund (United States share).....						1,177,000.00	1,177,000.00

<sup>a</sup> Counter-entry receipts (deduct).<sup>4</sup> See footnote 1, p. 533.

TABLE 3.—*Classification of monthly and total receipts, fiscal year 1944, and comparative totals, fiscal year 1943—Continued*

PART B. TRUST ACCOUNTS, ETC.—Continued

Source	Fiscal year 1944					
	July 1943	August 1943	September 1943	October 1943	November 1943	December 1943
Other trust accounts—Continued.						
Civil service retirement fund:						
Deductions from employees' salaries, etc.	\$22,690,957.80	\$23,194,898.37	\$19,835,958.51	\$22,062,288.99	\$22,119,769.14	\$22,243,628.51
District of Columbia share	889,037.00				610.49	
Interest and profits on investments						
Transfers from General Fund (United States share)	175,164,000.00					
District of Columbia:						
Revenues from taxes, etc.	1,898,933.68	2,064,481.08	6,444,303.33	13,442,474.85	2,799,021.31	2,217,145.65
Transfers from General Fund (United States share)	6,000,000.00					
Foreign service retirement fund:						
Deductions from employees' salaries, etc.	236,904.40	5,763.68	2,078.06	8,608.14	1,191.43	2,283.56
Interest on investments		251.48	432.46	616.39	697.70	1,020.77
Transfers from General Fund (United States share)	865,600.00					
Government life insurance fund:						
Interest and profits on investments	629,985.00	18,813.11	3,521,112.50	866,405.00		2,208,354.29
Premiums and other receipts	6,103,620.58	3,812,693.09	3,960,039.21	4,622,174.47	4,245,741.80	3,698,230.11
Indian tribal funds	723,297.09	602,093.21	338,808.09	382,586.12	338,832.80	896,844.62
Insular possessions	60,302.53	341,350.71	518,333.62	654,900.21	537,011.83	406,073.30
National service life insurance fund:						
Interest and profits on investments	87,133,060.72	54,759,124.81	66,593,677.18	70,225,507.94	25,326,619.93	64,587,435.83
Premiums and other receipts	1,024,394.02	3,509,329.34	2,214,194.94	2,512,693.61	4,230,819.36	1,563,063.86
Transfers from General Fund	11,538,353.41	11,587,940.91	11,672,925.30	24,698,694.46	17,017,862.40	14,370,130.17
Other	177,618.17	212,209.69	925,535.24	829,403.37	360,170.57	2,080,327.68
Unclassified						
Other funds and accounts:						
Increment resulting from reduction in the weight of the gold dollar	10,292.84	6,517.51	12,077.01	12,510.72	18,733.36	16,920.37
Total receipts	560,023,425.34	697,141,843.93	147,755,782.66	248,478,264.46	637,065,476.42	201,071,347.56
						18,580.88
						265,826,436.06

Source	Fiscal year 1944				Total fiscal year 1944	Total fiscal year 1943
	February 1944	March 1944	April 1944	May 1944	June 1944	
Other trust accounts—Continued.						
Civil service retirement fund:						
Deductions from employees' salaries, etc.						
District of Columbia share	\$21,054,767.48	\$22,412,592.82	\$22,880,813.86	\$23,015,611.03	\$23,513,970.66	\$225,481,273.27
Interest and profits on investments					52,767,027.15	889,037.00
Transfers from General Fund (United States share)						37,788,863.36
District of Columbia:						
Revenues from taxes, etc.	1,992,423.56	9,316,131.84	12,122,669.31	4,958,346.88	1,921,794.61	175,104,000.00
Transfers from General Fund (United States share)						62,124,421.44
Foreign service retirement fund:						
Deductions from employees' salaries, etc.	1,108.27	1,177.18	7,734.63	1,392.58	2,005.47	272,297.37
Interest on investments	632.13	891.80	1,630.27	1,088.52	269,577.92	277,847.96
Transfers from General Fund (United States share)						6,000,000.00
Government life insurance fund:						
Interest and profits on investments	70,614.75	4,239,660.28	1,046,856.54	590,036.44	25,069,215.65	38,891,033.56
Premiums and other receipts	4,153,385.06	5,193,336.34	4,183,947.91	5,129,834.32	4,438,903.82	55,253,363.46
Indian tribal funds	754,655.13	818,100.97	1,557,667.98	894,652.43	382,006.11	7,875,380.40
Insular possessions	339,068.13	420,797.59	248,730.83	228,517.74	320,349.18	6,991,026.18
National service life insurance fund:						
Interest and profits on investments					22,190,004.10	4,967,969.16
Premiums and other receipts	69,450,388.26	20,365,218.02	125,148,146.74	69,485,723.74	23,406,119.93	280,653,044.26
Transfers from General Fund	4,544,345.87	6,885,647.26	5,736,601.48	26,033,314.50	40,096,228.69	30,494,600.17
Other	19,993,938.80	24,855,297.92	29,386,126.01	65,995,933.52	16,584,970.28	270,780,759.07
Unclassified	* 1,605,670.99	* 342,743.95	701,429.51	* 17,460,588.04	19,036,181.06	2,040,309.58
Other funds and accounts:						
Increment resulting from reduction in the weight of the gold dollar	10,334.88	26,630.57	6,598.97	20,821.67	11,572.29	171,591.10
Total receipts	635,089,529.72	140,743,084.91	312,491,249.58	763,377,058.01	443,658,089.82	5,052,721,588.47
* Counter-entry receipts (deduct).						3,926,252,842.21

TABLE 4.—*Classification of monthly expenditures, fiscal year 1944*

[On basis of daily Treasury statements (see p. 519), adjusted to provide uniform classification of expenditures on a basis comparable to that in effect during the fiscal year ended June 30, 1944, including changes as a result of Executive orders involving reorganizations]

## SUMMARY OF EXPENDITURES

Classification	Fiscal year 1944						
	July 1943	August 1943	September 1943	October 1943	November 1943	December 1943	January 1944
<b>PART A. GENERAL AND SPECIAL ACCOUNTS</b>							
I. General:							
A. Departmental (see p. 540).....	\$50,648,732.93	\$85,830,595.82	\$63,791,450.29	\$65,516,520.64	\$65,178,108.68	\$67,105,411.25	\$67,891,311.40
B. Agricultural programs (see p. 542).....	59,450,956.47	58,893,681.71	64,435,517.70	79,405,681.26	59,983,524.83	49,918,027.35	79,637,649.62
C. Federal Security Agency and Federal Works Agency (see p. 546).....	77,697,943.82	84,019,477.38	60,610,953.39	73,690,023.54	44,401,273.10	40,516,215.75	78,124,808.01
D. Other (see p. 546).....	149,601,129.09	136,047,215.33	393,679,670.57	219,093,514.98	131,502,854.31	582,791,582.14	174,784,465.31
Total general expenditures.....	337,398,753.31	364,790,970.24	582,517,591.95	437,705,740.42	304,065,760.92	740,331,236.49	400,438,294.34
II. War activities (see p. 548).....	6,431,396,619.43	7,232,206,833.58	6,952,343,835.00	6,988,980,653.40	7,541,398,039.36	6,717,813,907.97	7,138,204,052.18
III. Revolving funds (see p. 550).....	a 762,621.51	4,773,684.89	a 2,307,619.60	a 6,674,392.26	a 8,428,833.10	a 7,797,365.21	a 3,408,507.43
IV. Transfers to trust accounts, etc. (see p. 552).....	344,225,962.52	15,209,029.34	2,214,194.94	36,012,693.61	2,230,819.36	1,563,063.86	36,838,040.16
Total expenditures, excluding debt retirements.....	7,112,458,704.75	7,616,982,538.05	7,534,768,102.29	7,456,024,695.17	7,839,299,586.54	7,451,910,703.11	7,569,641,879.25
V. Debt retirements (see p. 552).....					1,150.00		10,000.00
Total expenditures.....	7,112,458,704.75	7,616,982,538.05	7,534,768,102.29	7,456,024,695.17	7,839,270,736.54	7,451,910,703.11	7,569,671,879.25
<b>PART B. TRUST ACCOUNTS, ETC.</b>							
I. Trust accounts, etc. (see p. 554).....	460,030,131.07	418,128,042.86	411,342,598.57	181,684,907.25	411,078,630.99	441,532,023.08	115,276,537.16
II. Transactions in checking accounts of Government agencies, etc. (see p. 556).....	725,806,343.90	148,256,971.50	146,140,378.64	199,077,188.15	a 63,862,471.59	426,949,904.64	164,751,523.27
Total expenditures.....	1,194,926,474.97	566,385,014.36	557,482,977.21	380,762,095.40	347,216,159.40	868,481,927.72	280,028,060.43

Classification	Fiscal year 1944					Total fiscal year 1944	Total fiscal year 1943
	February 1944	March 1944	April 1944	May 1944	June 1944		
<b>PART A. GENERAL AND SPECIAL ACCOUNTS</b>							
I. General:							
A. Departmental (see p. 541)	\$65,690,778.31	\$68,260,059.55	\$80,995,854.88	\$52,553,693.19	\$59,395,034.72	\$792,857,551.66	\$732,261,210.89
B. Agricultural programs (see p. 543)	86,986,376.49	93,665,513.92	91,073,685.48	96,342,746.33	54,069,507.35	873,862,862.51	934,487,247.78
C. Federal Security Agency and Federal Works Agency (see p. 547)	45,773,108.10	51,709,736.65	67,735,222.99	53,865,198.51	38,470,358.35	716,614,379.59	1,020,666,900.44
D. Other (see p. 547)	143,967,754.06	581,543,210.96	238,786,733.53	183,831,335.08	865,741,748.52	3,804,371,204.88	2,907,803,731.38
Total general expenditures	342,418,010.96	795,178,521.08	478,591,496.88	386,592,973.11	1,017,676,648.94	6,187,705,998.64	5,595,219,090.49
II. War activities (see p. 549)	7,518,127,130.37	7,725,668,536.22	7,345,863,953.56	7,879,293,621.53	7,567,083,744.26	87,038,671,937.86	72,108,862,204.06
III. Revolving funds (see p. 551)	3,107,119.65	2,550,794.34	5,961,018.19	325,549.29	70,422.04	38,974,953.65	39,738,924.15
IV. Transfers to trust accounts, etc. (see p. 553)	4,544,345.87	6,885,647.26	40,236,691.48	26,053,514.50	40,096,228.09	556,110,230.99	435,065,022.17
Total expenditures, excluding debt retirements	7,861,982,367.55	8,525,181,910.22	7,858,731,123.73	8,291,614,559.85	8,624,927,043.33	93,743,513,213.84	78,178,885,240.87
V. Debt retirements (see p. 553)		500.00		26,000.00	36,000.00	1,650.00	3,463,400.00
Total expenditures	7,861,982,367.55	8,525,182,410.22	7,858,731,123.73	8,291,640,559.85	8,624,891,043.33	93,743,514,863.84	78,182,348,640.87
<b>PART B. TRUST ACCOUNTS, ETC.</b>							
I. Trust accounts, etc. (see p. 555)	476,971,339.21	344,025,938.04	32,305,430.86	430,405,197.60	968,597,086.50	4,700,377,863.19	3,593,551,348.14
II. Transactions in checking accounts of Government agencies, etc. (see p. 557)	331,037,439.07	2,001,789,422.24	87,336,791.85	147,889,899.06	87,805,283.77	4,403,068,674.50	2,193,685,465.83
Total expenditures	808,008,778.28	2,345,815,360.28	119,642,222.71	578,295,096.66	1,056,402,370.27	9,103,446,537.69	5,787,236,813.97

\* Excess of credits (deduct).



Classification	Fiscal year 1944				Total fiscal year 1944	Total fiscal year 1943
	February 1944	March 1944	April 1944	May 1944	June 1944	
1. General:						
A. Departmental (not otherwise classified):						
Agriculture Department <sup>1</sup> .....	\$5,316,150.99	\$5,479,279.14	\$9,058,324.88	\$6,588,492.54	\$5,277,137.67	\$122,115,080.62
Commerce Department.....	3,363,254.59	3,267,065.38	2,953,387.11	3,080,103.52	2,903,088.46	32,658,848.03
Civil Aeronautics Authority.....	3,021,399.48	2,749,219.93	2,559,160.92	2,757,378.63	2,989,940.60	29,226,323.01
Other.....						
Executive Office:						
Bureau of the Budget.....	138,593.93	173,043.09	140,081.91	159,170.64	144,963.20	1,438,684.85
Executive proper.....	43,608.82	43,711.89	42,093.18	41,952.69	40,477.69	489,461.26
National Resources Planning Board.....	155.31	4,920.01	-----	141.28	964.34	643,738.38
Other.....	12.00	57.15	227.05	174.29	4,006.71	864.73
Independent offices and commissions:	8,043,180.51	7,928,456.25	8,438,094.43	9,137,534.21	8,705,983.38	81,510,538.99
Interior Department.....	8,033,204.18	7,561,022.25	7,298,421.28	7,354,833.82	6,876,336.88	85,516,457.68
Judicial.....	1,084,285.63	1,103,026.60	1,105,732.13	1,154,827.85	1,104,482.12	12,020,159.52
Justice Department.....	7,139,674.00	9,757,212.80	5,003,332.19	5,512,273.54	4,884,546.91	63,384,630.75
Labor Department.....	1,520,748.40	2,248,580.61	1,607,231.40	2,793,172.83	1,380,763.73	22,697,209.48
Legislative establishment.....	4,225,216.92	2,287,438.86	3,026,133.48	467,973.54	2,113,700.72	26,694,633.90
Post Office Department.....	49,842.01	110,639.25	870,713.58	441,456.95	32,176.98	6,009,031.35
State Department.....	4,305,899.20	3,303,786.97	2,453,988.88	3,022,287.74	2,961,062.09	33,492,741.38
Treasury Department <sup>1</sup> .....	23,289,480.42	22,393,764.56	34,746,297.03	24,467,688.31	23,744,849.65	224,600,436.97
Unclassified.....	951,914.07	190,097.05	151,607.23	725,112.18	401,657.93	953,533.05
Adjustment for disbursing officers' checks outstanding.....	68,622,540.70	67,410,023.29	79,311,614.22	64,845,499.22	59,399,307.65	731,433,731.25
Subtotal.....	-2,931,762.39	+850,036.26	+1,684,240.66	-12,291,806.03	-4,272.93	+827,479.64
	65,690,778.31	68,260,059.55	80,995,854.88	52,553,693.19	59,395,034.72	732,261,210.89

<sup>1</sup> Excess of credits (deduct).

<sup>2</sup> Includes adjustment for fiscal year 1943 to cover expenditures for foreign war relief formerly classified under the caption "Departmental" and classified in this statement under "War activities."

TABLE 4. — *Classification of monthly expenditures, fiscal year 1944*—Continued  
 DETAIL OF EXPENDITURES—Continued  
 PART A. GENERAL AND SPECIAL ACCOUNTS—Continued

Classification	Fiscal year 1944						
	July 1943	August 1943	September 1943	October 1943	November 1943	December 1943	January 1944
I. General—Continued.							
B. Agricultural programs: <sup>2</sup>							
Farm Credit Administration: <sup>3</sup>							
Banks for cooperatives—capital stock							
Crop loans	• \$53,357.26	• \$1,132,152.49	• \$2,788,298.17	\$2,000,000.00	• \$3,676,751.28	• \$1,275,233.95	\$122,643.69
Other	20,780.18	128,321.30	694,271.17	• 4,013,195.05	404,514.80	• 291,759.62	15,333.07
Unclassified	85.23	• 85.29	6,523.82	• 605,355.04	67,648.93	• 48,979.38	3,382.43
Farm Tenant Act	299,795.98	330,266.93	263,906.29	• 27,944.02	298,440.02	287,644.90	238,824.18
Federal Farm Mortgage Corporation, reduction in interest rate on mortgages		1,633,181.18		343,306.47			
Federal land banks:					1,747,023.93		
Capital stock		• 86,485.00	• 93,290.00		• 1,039,590.00		• 21,450.00
Reduction in interest rates on mortgages		5,280,351.02			5,017,704.64		
Subscriptions to paid-in surplus		148,829.38		199,979.08			• 1,945,008.49
Forest roads and trails	452,008.37	488,340.01	471,421.83	382,550.20	464,748.98	318,642.02	644,912.52
Rural Electrification Administration:							
Loans	71,224.13	58,282.70	61,848.50	53,923.03	33,830.40	213,242.04	242,614.94
Other	293,511.80	211,089.98	196,872.47	209,400.25	200,538.90	218,736.57	207,531.17
Unclassified				389.25	2,453.76	• 2,843.01	



Classification	Fiscal year 1944					Total fiscal year 1944	Total fiscal year 1943
	February 1944	March 1944	April 1944	May 1944	June 1944		
I. General—Continued.							
B. Agricultural programs: <sup>2</sup>							
Farm Credit Administration: <sup>3</sup>							
Banks for cooperatives—capital stock	\$2,530,225.31	\$4,435,112.42	\$3,000,000.00			\$5,000,000.00	\$28,000,000.00
Crop loans	331,511.65	122,974.65	3,047,006.98	\$1,625,002.65	\$432,406.90	• 746,645.85	• 3,224,634.17
Other	• 788.82	1,740.17	• 1,588.63	224,030.00	456,759.48	2,927,489.82	2,951,361.91
Unclassified	253,205.43	255,803.82	241,050.28	275,174.59	• 512.08	3,301,214.07	170,344.37
Farm Tenant Act					243,795.09		4,278,737.83
Federal Farm Mortgage Corporation, reduction in interest rate on mortgages	2,196,418.65			1,578,502.78			
Federal land banks:							
Capital stock	• 107,020.00					7,215,123.51	8,815,788.80
Reduction in interest rates on mortgages	6,225,356.60					• 1,347,835.00	54,106,920.00
Subscriptions to paid-in surplus	• 13,461.47		681,125.26	4,031,839.31		21,236,376.83	24,356,053.63
Forest roads and trails	283,492.28	• 2,911,416.67		• 2,000,000.00		• 6,521,078.17	• 4,233,308.79
Rural Electrification Administration:		566,652.48	277,500.34	499,070.79	794,431.52	5,843,771.65	4,996,736.05
Loans	201,379.42	218,069.94	297,989.72	268,666.69		1,995,071.86	802,418.24
Other	216,912.26	212,633.92	204,848.70	224,623.33	211,912.17	2,578,971.52	3,193,327.78
Unclassified							

<sup>1</sup> Excess of credits (deduct).

<sup>2</sup> Additional expenditures are included in Department of Agriculture under "Departmental" above. During the fiscal year 1944 the classifications under "Agricultural programs" were rearranged to conform with the organization in the Department of Agriculture. Expenditures for the fiscal year 1943 have been arranged accordingly for comparative purposes.

<sup>3</sup> Additional transactions are included in revolving funds stated separately below.

TABLE 4.—*Classification of monthly expenditures, fiscal year 1944—Continued*  
DETAIL OF EXPENDITURES—Continued

## PART A. GENERAL AND SPECIAL ACCOUNTS—Continued

Classification	Fiscal year 1944					
	July 1944	August 1944	September 1944	October 1944	November 1944	December 1944
I. General—Continued.						
B. Agricultural programs—Continued.						
War Food Administration:						
Agricultural Marketing Admin- istration.....	\$1,022,159.49	\$1,425,340.40	\$1,734,279.07	\$1,329,199.32	\$645,097.42	\$1,233,570.72
Farm Security Administration:						
Food loans and grants.....			79,016.93	172,630.28	306,005.18	305,336.94
Other.....	4,179,301.15	3,015,387.40	2,542,578.44	2,343,165.13	2,705,074.42	2,326,161.82
Unclassified.....			a 64.90	60.54	a 10.36	823.34
Soil Conservation and Domestic Allotment Act.....	26,504,105.45	11,110,244.37	8,222,007.80	17,452,858.69	14,833,906.72	28,431,349.13
Other:						
Administration of Sugar Act of 1937.....	9,309,035.41	5,054,264.35	555,988.52	1,546,093.09	375,333.50	34,656.49
Agricultural Adjustment Act of Aug. 24, 1935.....	4,804,339.84	4,892,628.90	5,873,547.93	2,692,439.69	3,189,818.60	5,733,092.60
Federal Crop Insurance Act; Administrative expenses Subscriptions to capital stock of Federal Crop Insurance Corporation Price Adjustment Act of 1938 and parity payments.....	114,522.96	99,733.63	105,406.11	94,361.37	81,541.02	108,504.61
Unclassified.....			5,000,000.00			
Price Adjustment Act of 1938 and parity payments.....	754,723.51	23,465,202.84	39,304,158.94	53,945,336.16	31,438,528.67	10,040,354.92
Other.....	11,689,596.78	2,711,714.73	2,096,707.59	2,076,588.56	940,928.35	2,048,383.30
Unclassified.....	a 1,176.61	a 774.63	88,635.36	a 1,991,875.82	1,836,738.23	16,906.82
Subtotal.....	59,450,956.47	58,893,681.71	64,435,517.70	79,405,681.26	59,983,524.83	49,918,027.35
						79,037,649.62

Classification	Fiscal year 1944					Total fiscal year 1944	Total fiscal year 1943
	February 1944	March 1944	April 1944	May 1944	June 1944		
General—Continued.							
B. Agricultural programs—Continued.							
War Food Administration:							
Agricultural Marketing Administration:							
Farm Security Administration:	\$1,292,065.77	\$1,293,755.10	\$1,132,786.57	\$1,263,127.48	\$1,376,033.17	\$15,038,276.30	\$170,717.47
Flood loans and grants:	382,200.01	326,689.62	190,893.38	69,974.29	51,674.86	2,090,568.06	
Other:	2,286,869.21	2,935,981.13	2,211,738.81	2,786,840.09	2,330,438.23	32,578,685.55	45,118,924.88
Unclassified:	1,605.57	• 2,160.07	306.76	21.13	16,306.69	16,330.41	
Soil Conservation and Domestic Allotment Act:	54,190,713.78	64,954,061.41	59,362,727.64	64,255,695.60	19,020,870.37	413,008,131.95	458,088,635.78
Other:							
Administration of Sugar Act of 1937:	4,160,404.94	6,057,052.45	6,005,713.33	5,869,354.95	16,283,366.62	58,184,396.40	47,296,549.24
Agricultural Adjustment Act of Aug. 24, 1935:	9,433,148.73	12,407,924.53	11,665,785.45	13,048,546.47	8,371,860.64	97,925,822.34	55,154,978.58
Federal Crop Insurance Act: Administrative expenses:	62,613.85	66,237.09	52,672.93	51,532.75	1,848,796.26	2,764,631.63	5,235,394.14
Subscriptions to capital stock of Federal Crop Insurance Corporation:						5,000,000.00	15,000,000.00
Price Adjustment Act of 1938 and parity payments:	1,028,875.72	515,965.24	542,738.54	212,567.10	255,078.34	163,314,080.21	202,726,786.14
Other:	2,042,477.42	2,208,322.02	1,944,769.18	2,056,100.78	2,071,432.23	42,427,480.30	• 17,732,008.76
Unclassified:	• 1,836.82	114.67	197.74	1,556.77	30,856.80	32,036.09	• 776,435.34
Subtotal:	\$6,986,370.49	93,665,513.92	91,073,685.48	96,342,746.33	54,069,507.35	873,862,862.51	934,487,247.78

• Excess of credits (deduct).



Classification	Fiscal year 1944					Total fiscal year 1944	Total fiscal year 1943
	February 1944	March 1944	April 1944	May 1944	June 1944		
I. General—Continued.							
C. Federal Security Agency and Federal Works Agency:							
Federal Security Agency: <sup>4</sup>							
Civilian Conservation Corps	\$67,727.39	• \$133,866.37	\$8,258.07	• \$52,410.07	\$36,180.81	\$169,887.07	\$17,914,849.83
Social Security Board:							
Administrative expenses	2,050,889.79	2,113,465.90	1,995,331.52	2,225,770.21	2,151,251.30	24,121,872.55	25,524,106.99
Grants to States (social security):	29,546,855.39	31,610,194.84	47,613,638.52	38,167,333.60	28,444,158.45	464,321,686.81	447,852,030.70
Other:	• 525,543.81	199,427.52	• 199,268.38	• 11,780.40	• 406.90	1,924.78	773,036.26
Unclassified:	9,247,382.40	5,773,617.12	9,652,125.19	4,773,063.30	4,039,503.45	• 1,582.57	• 66,662
Other <sup>5</sup>						87,739,685.75	80,526,775.01
Federal Works Agency:							
Public Buildings Administration:							
Construction	433,895.66	94,881.71	142,083.32	218,184.27	106,794.34	3,331,922.84	13,927,651.88
Other	3,656,789.46	3,867,912.42	3,742,163.62	3,485,163.03	3,464,000.99	48,483,471.79	34,128,873.19
Unclassified:	13,992.33	• 3,038.44	• 8,225.75	63.50	• 66.97	10,206.31	• 61,550.79
Public Roads Administration:	481,951.42	7,536,735.54	4,452,110.62	4,829,189.26	• 781,289.03	• 66,045,402.45	• 86,901,507.06
Public Works Administration: <sup>3</sup>							
Administrative expenses	• 121.34	5,935.60	• 3,066.58	6,679.16	5,793.26	35,457.42	143,558.43
Grants (act June 21, 1938)	39,674.50	325,675.00	• 100,688.99	10,000.00	829,716.67	3,581,737.61	13,131,691.74
Other	81.61	• 41.61	51,559.43	147,406.77	40,716.86	925,923.40	338,415.68
Unclassified:	748,531.27	189,892.71	245,032.81	53,882.80	77,449.24	• 13	• 26,251.08
Work Projects Administration:	11,022.03	26,175.32	43,506.60	62,246.18	43,761.30	16,873,386.60	299,016,594.72
Other						973,396.91	555,677.44
Subtotal:	45,773,108.10	51,709,736.65	67,735,222.99	53,805,198.51	38,470,353.35	716,614,379.59	1,020,666,900.44
D. Other:							
Interior Department: <sup>6</sup>							
Reclamation projects:							
National Housing Agency:	3,946,047.50	5,993,094.01	6,500,786.50	3,516,411.43	3,269,147.99	53,890,795.85	68,574,766.54
Federal Housing Administration:	• 7,355.45	886.70	5,429.51	• 192.18	4,540.30	233,449.26	3,489,169.39
Federal Public Housing Authority:							
City <sup>7</sup>	39,850.52	3,164,073.80	68,707.60	589,637.27	1,001,742.90	9,939,485.27	9,737,917.58
Other	372,767.54	516,581.73	362,341.80	387,187.68	431,751.24	4,556,060.67	1,287,075.38
Panama Canal:	651,827.75	1,233,242.40	2,037,961.45	966,195.53	807,872.15	12,372,877.26	30,503,462.71

<sup>1</sup> Excess of credits (deduct).<sup>2</sup> Additional transactions are included in revolving funds stated separately below.<sup>3</sup> See footnote 14, p. 551.<sup>4</sup> Expenditures for the National Youth Administration are included under the caption "War activities, Office for Emergency Management."<sup>5</sup> Additional expenditures in corresponding caption under "Departmental" above.<sup>6</sup> Formerly United States Housing Authority, the functions of which were transferred to the Federal Public Housing Administration of the National Housing Agency, pursuant to Executive Order No. 9070, dated Feb. 24, 1942.<sup>7</sup> This item has been reduced by \$37,612,461.35 for the fiscal year 1944, and \$42,387,538.65 for the fiscal year 1943. Expenditures under War Department have been increased by like amounts on account of expenditures previously made by the Public Roads Administration in connection with work performed for the War Department.

TABLE 4.—Classification of monthly expenditures, fiscal year 1944—Continued

## DETAIL OF EXPENDITURES—Continued

## PART A. GENERAL AND SPECIAL ACCOUNTS—Continued

Classification	Fiscal year 1944					
	July 1943	August 1943	September 1943	October 1943	November 1943	December 1943
I. General—Continued.						
D. Other—Continued.						
Post Office Department (deficiency):						
Current		\$331.71				
Prior years						
Railroad Retirement Board:						
Acquisition of service and com-						
pensation data	\$11,461.00	144.00	\$71,664.77	\$33,403.00	\$29,140.23	\$23,915.50
Administrative expenses	231,084.53	208,736.75	186,988.07	194,120.67	171,110.92	174,153.00
Railroad unemployment insur-						
ance administration fund	226,939.22	212,652.72	228,901.73	210,737.92	249,726.76	245,726.40
River and harbor work and flood con-						
trol	17,006,307.65	19,560,013.59	11,263,949.62	18,618,334.05	16,334,488.48	20,311,150.85
Tennessee Valley Authority	6,631,382.40	6,839,811.19	6,783,645.81	6,398,966.08	5,966,573.58	3,532,101.18
Treasury Department:						
Interest on the public debt	67,734,214.00	46,058,557.58	311,106,365.43	130,607,950.44	47,469,866.98	496,962,724.81
Refunds of taxes and duties:						
Customs	776,027.03	1,054,199.80	649,592.82	733,792.38	801,771.85	1,306,292.13
Internal revenue	5,169,391.43	5,492,527.43	5,674,934.16	6,014,692.91	5,932,941.55	5,236,770.43
Processing tax on farm prod-						
ucts	39,172.58	175,031.03	27,880.26	11,740.16	763.81	32,651.62
Unclassified	298.48	6,440.08	192,969.90	186,456.30	161.04	204.15
Veterans' Administration	44,184,532.93	48,566,063.91	51,930,987.24	49,447,578.80	50,482,178.39	50,561,756.80
Subtotal	149,601,120.09	136,047,215.33	393,679,670.57	219,093,514.98	134,592,854.31	582,791,582.14
Total general expenditures	337,398,753.31	364,790,970.24	582,517,591.95	487,705,740.42	304,065,760.92	740,331,236.49
II. War activities:						
War Department	3,808,179,993.88	4,219,200,151.59	4,036,101,445.14	4,141,951,985.75	4,172,847,024.39	4,170,279,804.73
Navy Department	1,897,912,945.25	2,036,893,873.25	1,908,950,878.57	1,955,277,259.74	2,133,728,472.50	2,082,281,945.88
Agriculture Department <sup>10</sup>	12,145,463.35	180,396,927.52	238,813,728.11	175,880,520.55	332,064,754.74	139,811,064.71
Federal Security Agency: <sup>11</sup>						
Office of Education	6,383,927.49	15,061,423.05	9,898,899.00	13,010,069.19	7,769,239.17	4,772,128.02
Other	1,616,485.05	1,506,270.40	1,012,612.72	11,479,156.43	6,291,213.10	3,749,356.11
Unclassified	86,594.14	312,985.73	178,891.87	63,778.04	61,454.70	29,076.05
Federal Works Agency:						
Public Works Administration	13,647,205.89	13,036,895.03	9,292,586.05	11,985,541.83	7,820,611.11	9,326,547.15
Public works (community facilities)	8,554,491.53	13,264,913.96	10,753,913.96	12,352,146.81	11,648,863.89	10,181,501.01
Other	1,791,155.88	43.18	4,030,537.40	175,035.41	166,120.50	78,228.18
Unclassified	310,654.13	243,837.29	24,005.92	73,623.15	13,213.32	46,132.24
						15,205.65
						7,326,297.48
						10,181,501.01
						78,228.18
						173,583.59
						46,132.24
						51,005.17

Classification	Fiscal year 1944					Total fiscal year 1944	Total fiscal year 1943
	February 1944	March 1944	April 1944	May 1944	June 1944		
I. General—Continued.							
D. Other—Continued.							
Post Office Department (deficiency):							
Current.....	\$2,041.56			\$360.82		\$28,999,995.19	\$16,000,000.00
Prior years.....							\$1,379,125.23
Railroad Retirement Board:							
Acquisition of service and compensation data.....	.50	\$129.00	\$88.00	.50	30.00	381,880.50	2,682,068.00
Administrative expenses.....	111,668.88	175,904.38	163,979.32	213,500.87	180,612.40	2,129,451.30	2,724,324.85
Railroad unemployment insurance administration fund.....	338,711.56	281,407.11	284,379.50	263,695.49	303,350.84	3,184,673.09	2,191,607.10
River and harbor work and flood control.....	14,435,655.26	14,963,861.31	12,761,689.23	6,606,571.41	6,856,364.30	177,154,061.26	201,244,142.02
Tennessee Valley Authority.....	6,261,991.14	4,072,910.05	4,324,573.45	5,214,786.47	5,076,395.02	65,149,149.17	111,474,015.43
Treasury Department: *							
Interest on the public debt.....	56,374,502.05	449,366,370.54	117,270,985.57	51,933,195.19	747,242,764.09	2,608,979,805.62	1,808,160,395.51
Refunds of taxes and duties:							
Internal revenue.....	726,890.19	1,245,279.88	1,806,107.14	2,739,791.14	1,445,423.43	14,206,774.18	16,404,511.50
Processing tax on farm products.....	8,435,365.00	45,488,071.16	38,334,092.78	52,181,760.33	67,923,302.64	252,047,667.63	55,235,882.36
Unclassified.....	54,147.95	31,740.38	27,269.97	5,700.01	15,878.76	421,377.13	7,500,365.75
Veterans' Administration.....	83,392.11	189.02	3,225.73	3,352.98	225.54	161.41	3,108.77
Subtotal.....	52,140,309.99	55,009,469.49	54,845,281.98	59,215,567.10	60,160,827.28	628,729,853.29	571,976,261.26
Total general expenditures.....	143,967,754.05	581,543,210.96	238,786,733.53	183,831,335.08	865,741,748.52	3,804,371,204.88	2,907,803,731.38
II. War activities: *							
War Department.....	342,418,010.96	795,178,521.05	478,591,496.88	386,592,973.11	1,017,676,648.94	6,187,705,998.64	5,595,219,090.49
Navy Department.....	3,791,683,871.41	4,460,919,984.28	4,100,126,855.71	4,333,979,734.47	4,106,230,581.47	49,242,377,389.76	42,265,037,018.83
Agriculture Department: *	2,757,309,646.41	2,281,463,945.72	2,261,811,335.06	2,535,803,803.95	2,636,203,180.16	26,537,633,877.26	20,888,349,023.51
Federal Security Agency: *	184,409,069.57	187,710,731.34	223,593,746.88	204,922,775.20	218,581,561.62	2,143,403,788.69	2,010,838,579.34
Office of Education.....	4,833,167.64	2,119,431.98	4,954,756.93	3,186,536.53	1,160,139.54	74,672,088.74	140,687,025.33
Other.....	11,010,046.02	6,373,513.69	3,024,296.49	3,921,810.47	3,420,453.87	58,105,155.41	12,732,150.67
Unclassified.....	15,087.88	509.67	10,373.74	22,165.70	12,002.26	20,359.87	18,052.15
Federal Works Agency:							
Public Roads Administration.....	6,657,944.22	6,109,246.57	2,167,965.05	3,529,124.34	11,258,448.92	102,158,113.64	96,257,788.61
Public works (community facilities).....	9,754,825.83	9,225,874.00	8,799,581.56	3,944,118.92	24,012,947.67	133,356,739.61	114,382,173.44
Other.....	165,614.19	317,523.79	295,824.12	2,407.86	14,546,402.75	7,892,356.01	4,473,892.27
Unclassified.....	58,538.09	93,181.77	95,385.09	1,874.06	382.72	18,792.13	19,247.65

\* Excess of credits (deduct).

\* Additional expenditures in corresponding caption under "Departmental" above.

\* Additional expenditures attributable to war activities, payable from funds which have supplemented regular appropriations of the civil establishment, are included under general expenditures in Group I, above.

\* See footnote 1, p. 541.

\* See footnote 1, p. 531.





Classification	Fiscal year 1944					Total fiscal year 1944	Total fiscal year 1942
	February 1944	March 1944	April 1944	May 1944	June 1944		
II. War activities—Continued.							
National Housing Agency.....	\$37,741,200.45	\$37,565,688.90	\$35,206,033.56	\$31,496,310.97	\$27,690,409.40	\$538,768,704.05	\$607,617,918.85
Selective Service administrative expenses.....	4,803,616.62	3,347,660.56	5,248,115.14	5,619,625.46	6,680,671.56	59,430,168.62	52,432,791.34
Treasury Department <sup>12</sup> .....	126,842,062.03	97,351,916.66	120,513,600.40	117,655,008.51	188,103,824.19	1,432,044,410.45	1,200,538,579.23
U. S. Maritime Commission.....	330,729,195.18	385,345,136.68	272,740,441.37	364,419,253.43	31,113,946.79	3,811,704,080.35	2,775,732,113.98
War Shipping Administration.....	181,627,265.76	165,034,751.26	148,631,777.87	190,590,794.82	201,445,940.61	1,922,137,130.98	1,104,980,534.91
Aid to China.....						40,050,719.15	
Other:							
Commerce Department.....	3,131,283.19	10,196,020.84	13,069,682.55	7,908,524.29	12,486,833.66	132,791,192.87	137,204,669.46
Executive Office: <sup>13</sup>							
Office for Emergency Manage-							
ment <sup>14</sup> .....	35,080,316.99	35,924,998.65	35,537,377.19	31,542,615.79	40,267,268.00	420,830,035.54	349,918,489.98
Other <sup>15</sup> .....	20,517,998.83	21,403,430.76	18,736,511.86	26,712,040.06	20,327,750.54	243,120,018.35	135,863,416.12
Justice Department.....	1,847,135.54	618,180.86	2,063,628.35	3,956,080.86	4,032,176.57	42,698,791.15	34,157,624.00
Panama Canal.....	475,632.48	518,453.74	500,897.49	107,499.62	372,379.28	6,425,829.40	28,777,899.05
Smaller War Plants Corporation—							
capital stock.....	4,632,295.53	6,432,152.52	8,409,784.66	7,935,084.30	6,971,751.19	57,382,091.11	13,211,827.01
Other.....	5,105,738.89	7,175,581.65	14,073,061.44	4,619,606.31	19,524,969.98	82,430,813.23	91,727,183.75
Unclassified.....	174,236.62	220,306.33	2,445,621.29	1,844,939.05	1,757,296.97	5,005,492.40	3,871,348.73
Subtotal.....	7,518,127,130.37	7,725,668,536.22	7,345,863,953.56	7,879,293,621.53	7,567,083,744.26	87,038,671,937.86	72,108,862,204.06
III. Revolving funds (net):							
Farm Credit Administration:							
Production credit corporations—capital							
stock.....							
Other.....	3,614,419.55	2,550,794.34	5,000,000.00	220,598.96	900,353.38	5,000,000.00	41,181,122.36
Public Works Administration: Loans and							
grants to States, municipalities, etc.....	507,300.00		93,606.67	104,950.33	829,931.34	1,031,143.21	1,442,198.21
Subtotal.....	3,107,119.65	2,550,794.34	5,961,018.19	825,549.29	70,422.04	38,974,953.65	39,738,924.15

<sup>10</sup> Excess of credits (deduct).

<sup>12</sup> See footnote 1, p. 541.

<sup>13</sup> Excludes expenditures for War Shipping Administration, shown above.

<sup>14</sup> Office for Emergency Management includes adjustment for fiscal year 1943 to cover expenditures for the Office of Government Reports, formerly classified under the caption "Departmental," and classified herein as "War activities." Also includes expenditures for National Youth Administration, Training within Industry, Apprentice Training Service, and U. S. Employment Service which were transferred by Executive Order No. 9247, dated Sept. 17, 1942, from the Federal Security Agency to the War Manpower Commission in the Office for Emergency Management. In addition, adjustment is made for fiscal year 1943 to cover expenditures of the Council of National Defense, formerly classified under the caption "War activities: Other, Other." (See footnote 3, p. 347.)

<sup>15</sup> Includes adjustment for fiscal year 1943 to cover expenditures of the Board of Economic Warfare, Office of Censorship, and Petroleum Administration for War, formerly classified under the caption "War activities: Other, Other."

TABLE 4.—*Classification of monthly expenditures, fiscal year 1944*—Continued

## DETAIL OF EXPENDITURES—Continued

## PART A. GENERAL AND SPECIAL ACCOUNTS—Continued

Classification	Fiscal year 1944						
	July 1943	August 1943	September 1943	October 1943	November 1943	December 1943	January 1944
IV. Transfers to trust accounts, etc.:							
Agricultural Marketing Administration (surplus commodity stamps).....	• \$840,031.50				• \$2,000,000.00		
Federal contribution to District of Columbia (United States share).....	6,000,000.00						
Government employees' retirement funds (United States share):							
Alaska Railroad retirement fund.....	175,000.00						
Canal Zone retirement fund.....	1,177,000.00						
Civil service retirement fund.....	175,104,000.00						
Foreign service retirement fund.....	865,600.00						
National service life insurance fund.....	1,024,394.02	\$3,509,329.34	\$2,214,194.94	\$2,512,693.61	4,230,819.36	\$1,563,063.86	\$2,838,040.16
Railroad retirement account.....	160,720,000.00			33,500,000.00			34,000,000.00
Railroad unemployment insurance administration fund transfers to unemployment trust fund (act Oct. 10, 1940).....		11,699,700.00					
Subtotal.....	344,225,962.52	15,209,029.34	2,214,194.94	36,012,693.61	2,230,819.36	1,563,063.86	36,838,040.16
Total expenditures, excluding public debt retirements.....	7,112,458,704.75	7,616,982,538.05	7,534,768,102.29	7,456,024,695.17	7,839,269,586.54	7,451,910,703.11	7,569,661,879.25
V. Public debt retirements:							
Estate taxes, forfeitures, gifts, etc.....					1,150.00		11,000.00
Sinking fund.....							• 1,000.00
Subtotal.....					1,150.00		10,000.00
Total expenditures, including public debt retirements.....	7,112,458,704.75	7,616,982,538.05	7,534,768,102.29	7,456,024,695.17	7,839,270,736.54	7,451,910,703.11	7,569,671,879.25

Classification	Fiscal year 1944					Total fiscal year 1944	Total fiscal year 1943
	February 1944	March 1944	April 1944	May 1944	June 1944		
<b>IV. Transfers to trust accounts, etc.:</b>							
Agricultural Marketing Administration (surplus commodity stamps).....						\$2,840,031.50	\$70,555,322.00
Federal contribution to District of Columbia (United States share).....						6,000,000.00	16,000,000.00
Government employees' retirement funds (United States share):							
Alaska Railroad retirement fund.....						175,000.00	175,000.00
Canal Zone retirement fund.....						1,177,000.00	1,177,000.00
Civil service retirement fund.....						175,104,000.00	105,258,000.00
Foreign service retirement fund.....						865,000.00	630,800.00
National service life insurance fund.....			\$5,736,601.48	\$26,053,514.50	\$40,096,228.09	101,208,962.49	30,494,600.17
Railroad retirement account.....	\$4,544,345.87	\$0,885,647.26	34,500,000.00			292,720,000.00	214,801,000.00
Railroad unemployment insurance administration fund transfers to unemployment trust fund (act Oct. 10, 1940).....						11,693,700.00	5,973,300.00
Subtotal.....	4,544,345.87	6,885,647.26	40,236,601.48	26,053,514.50	40,096,228.09	556,110,230.99	435,065,022.17
Total expenditures, excluding public debt retirements.....	7,861,982,367.55	8,525,181,910.22	7,858,731,123.73	8,291,614,559.85	8,624,927,043.33	63,743,513,213.84	78,178,885,240.87
<b>V. Public debt retirements:</b>							
Estate taxes, forfeitures, gifts, etc.....		500.00		26,000.00	• 36,000.00	2,650.00	3,550.00
Sinking fund.....						• 1,000.00	3,450,850.00
Subtotal.....		500.00		26,000.00	• 36,000.00	1,650.00	3,453,400.00
Total expenditures, including public debt retirements.....	7,861,982,367.55	8,525,182,410.22	7,858,731,123.73	8,291,640,559.85	8,624,891,043.33	93,743,514,863.84	78,182,348,640.87

• Excess of credits (deduct).

is Effective July 1, 1942, Federal contributions to the District of Columbia, previously classified under "General," are shown under "Transfers to trust accounts, etc.," and receipts and disbursements therefor are shown gross under "Trust accounts, etc."

TABLE 4.—*Classification of monthly expenditures, fiscal year 1944*—Continued  
 DETAIL OF EXPENDITURES—Continued  
 PART B. TRUST ACCOUNTS, ETC.

Classification	Fiscal year 1944						
	July 1943	August 1943	September 1943	October 1943	November 1943	December 1943	January 1944
I. Trust accounts, etc.:							
Federal old-age and survivors insurance trust fund:							
Benefit payments.....	\$13,695,993.41	\$13,938,451.83	\$14,301,214.51	\$14,549,345.36	\$14,748,446.91	\$14,990,010.25	\$15,274,605.21
Investments.....	\$13,000,000.00		275,051,000.00			279,949,000.00	\$11,000,000.00
Agricultural Marketing Administration:							
Redemption of commodity stamps.....	301,118.75	76,343.00	105,537.20	56,841.50	147,348.30	122,762.75	18,169.75
Railroad retirement account:							
Benefit payments.....	11,077,544.82	11,076,932.79	11,087,552.34	11,283,427.87	11,144,307.79	11,095,579.46	11,213,616.42
Investments.....	154,000,000.00	\$11,000,000.00	\$11,000,000.00	22,000,000.00	\$11,000,000.00	\$11,000,000.00	23,000,000.00
Unemployment trust fund:							
Investments.....	38,000,000.00	303,000,000.00	32,000,000.00	28,000,000.00	288,000,000.00	39,000,000.00	71,000,000.00
Railroad unemployment insurance account.....							
Withdrawals by States.....	64,729.93	32,610.86	40,082.82	39,089.33	41,603.12	36,910.23	56,240.37
Other trust accounts:							
Adjusted service certificate fund:							
Investments.....	\$90,000.00		\$200,000.00		\$85,000.00	\$95,000.00	502,000.00
Other.....	67,431.93	72,755.15	59,951.16	85,354.47	72,063.14	68,762.05	128,746.03
Alaska Railroad retirement fund:							
Annuities and refunds.....	13,306.31	13,367.98	23,835.70	19,159.88	24,064.39	16,377.92	13,839.75
Investments.....	169,000.00	\$8,000.00	\$8,000.00	\$13,000.00	\$7,000.00	\$5,000.00	\$8,000.00
Canal Zone retirement fund:							
Annuities and refunds.....	120,854.23	105,602.63	102,984.33	130,830.57	115,391.81	108,739.49	123,493.73
Investments.....	1,170,000.00	\$30,000.00	\$1,000.00	8,000.00	\$20,000.00	\$28,000.00	\$16,000.00
Civil service retirement fund:							
Annuities and refunds.....	7,204,816.89	7,312,201.06	7,804,472.62	7,789,978.66	7,602,322.24	7,883,097.96	8,511,252.78
Investments.....	192,755,000.00	16,438,000.00	14,419,000.00	12,656,000.00	13,894,000.00	13,624,000.00	13,280,000.00
District of Columbia.....	10,072,187.92	4,201,972.42	4,089,232.13	6,927,154.20	4,928,438.52	3,469,123.30	4,027,275.01
Foreign service retirement fund:							
Annuities and refunds.....	37,638.46	49,830.57	44,730.01	40,885.63	41,964.41	43,091.67	49,658.80
Investments.....	1,040,000.00	\$39,000.00	\$46,000.00	\$47,000.00	\$42,000.00	\$52,000.00	\$42,000.00
Government life insurance fund:							
Benefits, refunds, etc.....	3,074,706.36	2,501,304.27	3,188,331.87	3,061,331.63	2,558,391.04	2,270,321.32	2,801,064.61
Investments.....	3,000,000.00	2,459,302.34	4,970,306.00	1,650,000.00	2,000,000.00	3,699,694.00	2,700,000.00
Indian tribal funds.....	369,593.43	267,434.09	510,145.88	645,258.36	528,706.89	785,468.79	105,311.82

Classification	Fiscal year 1944					Total fiscal year 1944	Total fiscal year 1943
	February 1944	March 1944	April 1944	May 1944	June 1944		
I. Trust accounts, etc.:							
Federal old-age and survivors insurance trust fund:							
Benefit payments.....	\$15,693,440.56	\$16,614,713.94	\$16,494,062.94	\$17,126,031.10	\$17,171,057.78	\$184,597,363.80	\$149,303,977.71
Investments.....	100,035,880.00	144,000,000.00			397,000,000.00	1,172,035,380.00	1,035,200,000.00
Agricultural Marketing Administration:							
Redemption of commodity stamps.....	10,173.50	3,471.75	27,000.00	32,106.22	5,525.28	852,338.00	161,410,970.50
Railroad retirement administration:							
Benefit payments.....	11,147,272.91	11,403,220.36	11,266,648.78	11,450,000.00	11,160,719.47	134,415,832.07	130,464,800.75
Investments.....	11,000,000.00	11,000,000.00	22,500,000.00	11,000,000.00	4,000,000.00	140,500,000.00	86,500,000.00
Unemployment trust fund:							
Investments.....	261,000,000.00	39,000,000.00	28,000,000.00	280,000,000.00	96,000,000.00	1,503,000,000.00	1,228,000,000.00
Railroad unemployment insurance account.....	74,437.71	72,626.62	67,490.04	40,346.22	25,116.54	591,283.79	1,823,659.73
Withdrawals by States.....	6,111,500.00	6,915,500.00	6,567,000.00	5,752,000.00	5,463,000.00	59,999,500.00	174,333,500.00
Other trust accounts:							
Adjusted service certificate fund:							
Investments.....	675,000.00	6150,000.00	6300,000.00	6200,000.00	6685,000.00	61,378,000.00	6167,000.00
Other.....	117,655.57	267,160.20	171,775.27	284,470.61	268,858.99	1,602,684.57	967,431.89
Alaska Railroad retirement fund:							
Annuities and refunds.....	11,340.76	16,989.37	18,187.91	13,333.68	18,098.65	202,562.30	141,604.86
Investments.....	62,000.00	10,000.00	15,000.00		60,000.00	203,000.00	252,000.00
Canal Zone retirement fund:							
Annuities and refunds.....	224,807.41	44,087.35	113,389.21	122,473.71	157,935.78	1,470,590.25	1,331,712.42
Investments.....	625,000.00	630,000.00	618,000.00	615,000.00	232,000.00	1,227,000.00	1,282,000.00
Civil service retirement fund:							
Annuities and refunds.....	8,147,420.91	8,657,918.82	9,420,853.22	9,823,607.41	10,318,703.97	100,476,706.54	83,323,821.51
Investments.....	12,869,000.00	13,240,000.00	10,950,000.00	11,845,000.00	63,187,000.00	390,592,000.00	277,071,000.00
District of Columbia.....	5,152,720.07	5,171,252.37	5,401,977.56	4,676,279.86	5,445,314.97	66,162,988.33	60,280,108.45
Foreign service retirement fund:							
Annuities and refunds.....	40,236.14	39,918.31	38,583.83	41,794.87	44,308.87	512,641.60	480,558.34
Investments.....	621,000.00	630,000.00	650,000.00	630,000.00	259,000.00	897,000.00	673,000.00
Government life insurance fund:							
Benefits, refunds, etc.....	1,896,780.94	2,616,921.34	2,408,325.84	3,755,900.32	3,429,499.38	33,592,938.52	30,000,082.93
Investments.....	2,045,054.25	4,896,453.75	4,078,355.78	2,789,500.00	25,759,000.00	60,042,266.12	60,748,469.13
Indian tribal funds.....	619,612.44	1,152,764.71	691,207.44	570,008.52	587,677.52	6,833,999.89	5,414,388.45

\* Excess of credits (deduct).

\* Excess of redemptions (deduct).



Classification	Fiscal year 1944					Total fiscal year 1944	Total fiscal year 1943
	February 1944	March 1944	April 1944	May 1944	June 1944		
I. Trust accounts, etc.—Continued.							
Other trust accounts—Continued.							
National service life insurance fund:							
Benefits, refunds, etc.	\$2,704,299.72	\$3,314,555.12	\$3,608,005.81	\$4,810,116.70	\$4,918,068.08	\$31,365,551.92	\$6,007,770.45
Investments	44,300,000.00	81,500,000.00	60,200,000.00	89,000,000.00	142,000,000.00	861,790,000.00	314,110,000.00
Other	24,099,141.23	10,843,014.90	13,352,308.26	58,155,926.13	9,716,880.63	156,992,515.06	31,839,136.03
Unclassified	a 172,433.40	292,442.53	a 2,463,501.28	a 7,321,732.88	9,730,997.66	69,723.77	a 671,232.55
Other funds and accounts:							
Charitable against increment on gold—							
Melting losses, etc.							
Public Works Administration revolving fund (act of June 21, 1938)	a 4,555.56	825.00	a 3,333.33			501,602.78	1,512.56
Special deposits (net):							
District of Columbia	42,062.38	a 11,769.95	a 29,573.51	13,497.61	45,700.12	a 101,469.93	a 173,959.69
Indian tribal funds	a 80,367.90	a 408,685.51	279,369.33	97,117.42	16,373.52	a 233,312.88	a 1,541,604.03
Other	a 7,839,937.30	2,493,603.23	a 160,449,945.65	a 51,462,792.55	170,267,249.29	a 208,399,988.81	a 246,039,165.98
Unclassified	a 148,803.13	148,943.83	4,643.41	a 4,746.41		a 37,331.90	37,325.90
Subtotal	476,971,339.21	344,025,938.04	32,305,430.86	430,405,197.60	968,597,086.50	4,700,377,863.19	3,593,551,348.14
II. Transactions in checking accounts of Government agencies, etc. (net):							
Sales and redemptions of obligations in market (net):							
Guaranteed by the United States:							
Commodity Credit Corporation	911,173.76	14,622,593.49	1,267,113.93	91,617.22	17,313,576.36	61,687,891.48	231,907,489.77
Federal Farm Mortgage Corporation	70,900.00	17,79,660,000.00	17 5,290,500.00	17 784,302,200.00	17 18,819,100.00	888,810,200.00	12,017,900.00
Federal Housing Administration	19,350.00	38,850.00	30,860.00			2,603,000.00	2,315,263.65
Federal Public Housing Authority	113,657,000.00	372,000.00	30,000.00	13,000.00	19,000.00	114,091,000.00	5,000.00
Home Owners' Loan Corporation	181,575.00	129,700.00	135,700.00	18 704,278,625.00	18 13,785,800.00	720,188,700.00	19 28,786,825.00
Reconstruction Finance Corporation		9,000.00	20 570,312,000.00	20 831,000.00	65,000.00	895,865,000.00	323,611,000.00

a Excess of credits (deduct).

b Excess redemptions (deduct).

17 Includes \$73,422,300, \$2,142,500, \$246,800, and excess credits of \$10,900 in March, April, May, and June, respectively, of 3½ percent Federal Farm Mortgage Corporation bonds of 1944-64, and \$704,866,300 and \$58,400 in May and June, respectively, of 3 percent Federal Farm Mortgage Corporation bonds of 1944-49 exchanged for certain Treasury obligations.

18 Includes \$803,782,550 and excess credits of \$19,500 in May and June, respectively, of 3 percent Home Owners' Loan Corporation bonds, Series A 1944-52, exchanged for certain Treasury obligations.

19 Includes 2½ percent Home Owners' Loan Corporation bonds, Series G-1942-44, exchanged for 1½ percent Treasury notes, Series B-1946, amounting to \$33,000 in the fiscal year 1943.

20 Includes \$558,624,000 and \$500,000 in April and May, respectively, of 1 percent Reconstruction Finance Corporation notes of Series W exchanged for certain Treasury obligations.

TABLE 4.—*Classification of monthly expenditures, fiscal year 1944*—Continued  
 DETAIL OF EXPENDITURES—Continued  
 PART B. TRUST ACCOUNTS, ETC.—Continued

Classification	Fiscal year 1944						
	July 1943	August 1943	September 1943	October 1943	November 1943	December 1943	January 1944
II. Transactions in checking accounts of Government agencies, etc. (net)—Continued.							
Sales and redemptions of obligations in market (net)—Continued.							
Not guaranteed by the United States:							
Electric Home and Farm Authority							
Federal home loan banks		\$6,000.00	• \$24,996,000.00	• \$5,000,000.00		\$1,700,000.00	
Federal land banks							
Federal Savings and Loan Insurance Corporation							
Federal National Mortgage Association	\$54,410,000.00	686,000.00	148,000.00		\$20,000.00		\$22,000.00
Home Owners' Loan Corporation	975.00	2,900.00	225.00	40,000.00	625.00	75.00	3,050.00
Other transactions (net):							
Commodity Credit Corporation	164,840,694.73	21,166,125.14	• 31,874,321.75	37,367,069.88	• 87,592,915.63	153,232,449.50	46,298,699.48
Export-Import Bank of Washington	• 250,864.35	233,066.86	• 13,758.56	• 19,453.51	41,617.62	94,781.98	• 261,885.84
Federal Housing Administration	• 1,048,784.37	• 1,580,742.78	4,447,113.71	• 1,012,278.64	• 1,977,820.30	• 1,640,576.65	• 2,545,460.70
Federal Public Housing Authority	1,879,271.27	1,999,029.74	1,669,901.41	2,206,012.72	2,340,190.31	2,598,973.05	1,317,572.59
Home Owners Loan Corporation	• 49,322,876.16	• 62,961,271.88	• 30,765,310.28	• 24,297,248.12	• 20,107,603.33	• 24,908,335.23	• 47,652,933.54
Reconstruction Finance Corporation:							
War activities:	311,282,608.83	305,410,535.60	237,063,116.19	224,824,337.70	273,973,285.19	222,799,389.77	204,198,482.76
Other	• 27,870,705.46	• 28,244,727.95	• 10,054,128.54	• 25,760,296.81	• 24,589,187.11	• 23,920,314.14	• 6,902,339.77
Rural Electrification Administration	• 21,737.03	257,766.72	• 529,586.99	• 1,033.69	• 260,653.15	• 2,344,581.22	• 2,983,008.73
Other	• 54,829,416.72	• 91,065,690.24	• 1,640,552.40	• 11,824,723.84	• 207,681,755.03	97,993,915.89	• 51,036,772.87
Subtotal	725,896,343.90	148,256,971.50	146,140,378.64	199,077,188.15	• 63,862,471.59	436,949,904.64	164,751,523.27
Total expenditures	1,194,926,474.97	566,385,014.36	557,482,977.21	380,762,095.40	347,216,159.40	808,481,927.72	280,028,060.43



Classification	Fiscal year 1944				Total fiscal year 1944	Total fiscal year 1943
	February 1944	March 1944	April 1944	May 1944	June 1944	
II. Transactions in checking accounts of Government agencies, etc. (net)—Continued.						
Sales and redemptions of obligations in market (net)—Continued.						
Not guaranteed by the United States:						
Electric Home and Farm Authority:						\$8,832,500.00
Federal home loan banks:					\$6,326,400.00	56,490,000.00
Federal land banks:				\$157,930,100.00		157,930,100.00
Federal Savings and Loan Insurance Corporation:						11,880.00
Federal National Mortgage Association:	\$20,000.00	\$6,000.00				29,748,000.00
Home Owners' Loan Corporation:	1,625.00	2,225.00	\$1,850.00	2,300.00		20,800.00
Other transactions (net):						
Commodity Credit Corporation:	9,753,779.22	45,349,021.33	13,739,558.16	11,457,599.95	17,937,581.99	192,810,422.44
Export-Import Bank of Washington:	40,387.43	104,400.09	100,408.27	23,134.06	3,958.46	272,281.96
Federal Housing Administration:	4,427,926.58	1,728,487.28	1,729,486.88	1,923,784.94	3,930,518.79	6,143,779.89
Federal Public Housing Authority:	1,787,827.02	2,000,169.30	1,148,735.30	938,963.21	8,891,852.64	2,112,138.49
Home Owners' Loan Corporation:	27,634,411.69	32,333,197.37	27,369,555.53	34,140,952.30	14,972,253.58	363,446,816.33
Reconstruction Finance Corporation:						
War activities:	216,523,118.19	207,659,262.84	138,000,142.28	210,702,893.23	129,190,756.94	2,442,248,130.97
Other:	15,985,645.60	24,976,593.96	32,311,666.46	19,105,978.20	6,947,440.24	19,655,624.88
Rural Electrification Administration:	665,751.68	124,335.61	23,239.52	59,532.15	671,095.33	652,532.82
Other:	27,928,585.92	1,801,407,525.85	553,784,701.88	51,642,730,351.88	58,228,621.00	398,376,611.47
Subtotal:	331,037,439.07	2,001,759,422.24	87,336,791.85	147,889,899.06	87,805,283.77	2,193,685,465.83
Total expenditures:	808,008,778.28	2,345,815,360.28	119,642,222.71	578,295,096.66	1,056,402,370.27	5,787,236,813.97

\* Excess of credits (deduct).

<sup>1</sup> Includes transactions on account of RFC Mortgage Company, Disaster Loan Corporation, Federal National Mortgage Association, Metals Reserve Company, Rubber Reserve Company, Defense Plant Corporation, Defense Supplies Corporation, U. S. Commercial Company, and War Damage Corporation.

<sup>2</sup> Expenditures for war activities by the Reconstruction Finance Corporation prior to Oct. 17, 1942, were included under "Other" expenditures.

<sup>3</sup> Includes \$1,830,625,450 of guaranteed obligations (net of redemptions) acquired by the Treasury in exchange for certain Treasury obligations.

<sup>4</sup> Includes \$26,624,350 of guaranteed obligations (net of redemptions) acquired by the United States: Reconstruction Finance Corporation.

<sup>5</sup> During the month, redemptions amounting to \$500,000, \$603,782,550, and \$704,866,300 were transferred to "Sales and redemptions of obligations in market (net): Guaranteed by the United States: Reconstruction Finance Corporation, Home Owners' Loan Corporation, and Federal Farm Mortgage Corporation," respectively.

TABLE 5.—Expenditures from general and special accounts, by major functions, fiscal years 1932 through 1944<sup>1</sup>  
 [In millions of dollars. On basis of daily Treasury statements, see p. 519]

	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944
<b>War activities:<sup>2</sup></b>													
(a) War Department.....	344	302	243	273	383	378	432	490	667	3,678	14,070	42,265	49,242
(b) Navy Department.....	358	350	297	436	520	557	596	673	891	2,313	8,580	20,888	26,538
(c) U. S. Maritime Commission.....	52	29	10	21	12	6	1	44	99	31	929	2,776	3,812
(d) War Shipping Administration.....											132	1,105	1,922
(e) Other.....										259	2,300	5,075	5,525
<b>Total war activities.....</b>	<b>753</b>	<b>680</b>	<b>531</b>	<b>689</b>	<b>900</b>	<b>929</b>	<b>1,029</b>	<b>1,206</b>	<b>1,657</b>	<b>6,301</b>	<b>26,011</b>	<b>72,109</b>	<b>87,039</b>
<b>Veterans' pensions and benefits:<sup>3</sup></b>													
(a) Adjusted service certificate fund.....	200	100	50	50	1,773	557				10			
(b) National service life insurance fund.....	785	763	507	557	578	581	582	557	557	553	555	572	101
(c) Other.....													629
<b>Total veterans' pensions and benefits.....</b>	<b>985</b>	<b>863</b>	<b>557</b>	<b>607</b>	<b>2,351</b>	<b>1,137</b>	<b>582</b>	<b>557</b>	<b>557</b>	<b>563</b>	<b>556</b>	<b>602</b>	<b>730</b>
<b>Social security and railroad retirement programs</b>													
Public works <sup>4</sup> .....	450	442	698	883	730	1,024	804	454	513	588	659	735	803
Aid to agriculture <sup>5</sup> .....	437	176	775	1,071	933	971	854	1,000	949	738	680	543	433
<b>Relief and work relief:</b>													
(a) Direct relief <sup>6</sup> .....		336	708	1,820	494	1		2	1	71,632	1,133	7,317	17
(b) Work relief <sup>6</sup> .....		14	1,137	447	1,731	2,283	1,739	2,530	1,855	1,632	1,133	317	17
<b>Total relief and work relief.....</b>		<b>350</b>	<b>1,845</b>	<b>2,267</b>	<b>2,245</b>	<b>2,282</b>	<b>1,803</b>	<b>2,532</b>	<b>1,856</b>	<b>1,632</b>	<b>1,133</b>	<b>1,808</b>	<b>2,609</b>
<b>Interest on public debt.....</b>	<b>599</b>	<b>689</b>	<b>757</b>	<b>821</b>	<b>749</b>	<b>866</b>	<b>926</b>	<b>941</b>	<b>1,041</b>	<b>1,111</b>	<b>1,260</b>	<b>1,808</b>	<b>2,609</b>
<b>Refunds of taxes and duties:</b>													
(a) Excess profits tax (bonds)													
(b) Other.....													
<b>Total expenditures, excluding debt retirements.....</b>	<b>4,535</b>	<b>3,864</b>	<b>6,011</b>	<b>7,010</b>	<b>8,666</b>	<b>8,177</b>	<b>7,239</b>	<b>8,707</b>	<b>8,998</b>	<b>12,711</b>	<b>32,397</b>	<b>78,179</b>	<b>93,744</b>

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Excess of credits (deduct).

<sup>2</sup> For details see table 4, p. 548.

<sup>3</sup> Comprises expenditures of Public Roads Administration, forest roads and trails, Public Buildings Administration, Tennessee Valley Authority, reclamation projects, river and harbor work (including flood control), Public Works Administration, and certain expenditures of the Federal Public Housing Authority.

<sup>4</sup> Comprises expenditures of Farm Credit Administration, Farm Tenant Act, Rural Electrification Administration, War Food Administration, departmental expenditures of the Department of Agriculture, and certain payments to the Federal Farm Mortgage Corporation and Federal land banks.

<sup>5</sup> Comprises expenditures of the Federal Emergency Relief Administration, and Reconstruction Finance Corporation loans and grants to States, municipalities, etc., for direct relief pursuant to act of July 21, 1932, as amended.

<sup>6</sup> Comprises expenditures of the Civil Works Administration, Work Projects Administration, National Youth Administration (see note 7), and Civilian Conservation Corps.

<sup>7</sup> Excludes certain expenditures of the National Youth Administration for the fiscal years 1941 and 1942 shown under "War activities." All expenditures of the National Youth Administration for the fiscal year 1943 are shown under "War activities."

<sup>8</sup> Includes departmental expenditures and transfers to trust accounts not otherwise classified.

## Other receipts and expenditures tables

TABLE 6.—Receipts by major sources, fiscal years 1943 and 1944<sup>1</sup>

[Dollars in millions]

Source	1943	1944	Increase or decrease (—), 1944 over 1943		Percent of total in- crease in receipts from gen- eral and special accounts, 1944 over 1943
			Amount	Percent	
<b>1. Internal revenue:</b>					
<b>(1) Income and excess profits taxes:</b>					
<b>Corporation:</b>					
Current taxes:					
Income.....	\$4,137.0	\$4,762.7	\$625.7	15.1	2.8
Excess profits.....	4,844.0	8,479.4	3,635.4	75.0	16.5
Declared value excess profits.....	61.1	109.9	48.8	79.9	.2
Adjustment to daily Treasury statement basis <sup>2</sup> .....	-80.2	+108.9	+189.1	-----	+ .9
Total current corporation.....	8,961.8	13,460.9	4,499.1	50.2	20.4
Back taxes:					
Income.....	383.9	521.4	137.5	35.8	.6
Excess profits.....	219.9	865.8	645.9	293.7	2.9
Declared value excess profits.....	21.3	27.1	5.8	27.2	( <sup>3</sup> )
Unjust enrichment.....	1.8	.4	-1.4	-77.8	( <sup>3</sup> )
Total back corporation.....	626.9	1,414.8	787.9	125.7	3.6
Total corporation.....	9,588.7	14,875.7	5,287.0	55.1	24.0
<b>Individual:</b>					
Current taxes:					
Income tax withheld:					
Collections by Bureau of In- ternal Revenue.....	686.0	7,823.4	7,137.4	1,040.4	32.4
Adjustment to daily Treasury statement basis <sup>2</sup> .....	-----	+1,354.3	+1,354.3	-----	+6.1
Total income tax withheld.....	686.0	9,177.8	8,491.8	1,237.9	38.6
Income tax not withheld:					
Collections by Bureau of In- ternal Revenue.....	5,771.0	10,253.8	4,482.8	77.7	20.4
Adjustment to daily Treasury statement basis <sup>2</sup> .....	-125.0	+163.8	+288.8	-----	+1.3
Total income tax not with- held.....	5,646.0	10,417.6	4,771.6	84.5	21.7
Total current individual.....	6,332.0	19,595.4	13,263.4	209.5	60.2
Back taxes.....	172.9	183.7	10.8	6.2	( <sup>3</sup> )
Total individual.....	6,504.9	19,779.2	13,274.3	204.1	60.3
Total income and excess profits taxes	16,093.7	34,654.9	18,561.2	115.3	84.3
<b>(2) Miscellaneous internal revenue:</b>					
Capital stock tax.....	328.8	380.7	51.9	15.8	.2
Estate tax.....	414.5	473.5	59.0	14.2	.3
Gift tax.....	33.0	37.7	4.7	14.2	( <sup>3</sup> )
Liquor taxes <sup>5</sup> .....	1,423.5	1,618.0	194.5	13.7	.9
Tobacco and products taxes.....	915.3	988.4	73.1	8.0	.3
Stamp taxes.....	45.2	50.8	5.6	12.4	( <sup>3</sup> )
<b>Manufacturers' excise taxes:</b>					
Gasoline.....	288.8	271.2	-17.6	-6.1	-.1
Lubricating oils.....	43.3	52.5	9.2	21.2	( <sup>3</sup> )
Automobiles, trucks, tires, tubes and parts or accessories.....	44.4	76.3	31.9	71.8	.1
Electrical energy.....	48.7	51.2	2.5	5.1	( <sup>3</sup> )
All other.....	63.1	51.4	-11.7	-18.5	.1
Total manufacturers' excise taxes....	488.4	502.7	14.3	2.9	.1
<b>Retailers' excise taxes.....</b>	165.3	225.2	59.9	36.2	.3

Footnotes at end of table.

TABLE 6.—*Receipts by major sources, fiscal years 1943 and 1944*<sup>1</sup>—Continued

[Dollars in millions]

Source	1943	1944	Increase or decrease (—), 1944 over 1943		Percent of total in- crease in receipts from gen- eral and special accounts, 1944 over 1943
			Amount	Percent	
1. Internal revenue—Continued.					
(2) Miscellaneous internal revenue—Con.					
Miscellaneous taxes:					
Telephone, telegraph, radio and cable facilities, etc.	\$91.2	\$141.3	\$50.1	54.9	0.2
Local telephone service	67.0	90.2	23.2	34.6	.1
Transportation of persons	87.1	153.7	66.6	76.5	.3
Transportation of property	82.6	215.5	132.9	160.9	.6
Admissions	154.5	205.3	50.8	32.9	.2
Use of motor vehicles and boats	146.7	134.7	-12.0	-8.2	-.1
Sugar tax	53.6	68.8	15.2	28.4	.1
All other, including repealed taxes <sup>2 3</sup>	74.8	66.8	-8.0	-10.7	(3)
Total miscellaneous taxes	757.3	1,076.2	318.9	42.1	1.4
Total miscellaneous internal revenue (collection basis)	4,571.1	5,353.3	782.2	17.1	3.6
Adjustment to daily Treasury statement basis	-18.5	-62.3	-43.8	-----	-.2
Total miscellaneous internal revenue (daily Treasury state- ment basis)	4,552.6	5,291.0	738.4	16.2	3.4
(3) Employment taxes:					
Employment by other than carriers:					
Federal Insurance Contributions Act.	1,130.5	1,292.1	161.6	14.3	.7
Federal Unemployment Tax Act	158.4	179.9	21.5	13.6	.1
Total	1,288.9	1,472.0	183.1	14.2	.8
Carriers and their employees	208.8	267.1	58.3	27.9	.3
Total employment taxes	1,497.7	1,739.1	241.4	16.1	1.1
Total internal revenue	22,144.0	41,685.0	19,541.0	88.2	88.7
2. Railroad unemployment insurance contributions	10.3	12.1	1.8	17.5	(3)
3. Customs	324.3	431.3	107.0	33.0	.5
Total internal revenue taxes, railroad unemploy- ment insurance, and customs	22,478.5	42,128.4	19,649.9	87.4	89.2
4. Miscellaneous receipts	906.1	3,280.1	2,374.0	262.0	10.8
Total receipts, general and special accounts	23,384.6	45,408.4	22,023.8	94.2	100.0
Deduct: Net appropriation for Federal old-age and survivors insurance trust fund	1,103.0	1,259.5	156.5	14.2	-----
Net receipts, general and special accounts	22,281.6	44,148.9	21,867.3	98.1	-----

NOTE.—Dollar figures are rounded to nearest tenth of a million and percentage figures to nearest tenth of a percent and will not necessarily add to totals.

<sup>1</sup> The detail of income taxes and miscellaneous internal revenue taxes is on the basis of internal revenue collections with totals adjusted to the basis of the daily Treasury statement. Employment taxes, railroad unemployment insurance contributions, customs, and miscellaneous receipts are shown on the daily Treasury statement basis. General and special accounts are combined.

<sup>2</sup> Because of the time required for payments reported as tax collections toward the end of each month to clear through the banks and become available for expenditures on the daily Treasury statement basis, an adjustment from the collection basis to the daily Treasury statement basis is necessary. A positive adjustment indicates that during the fiscal year more tax receipts on a daily Treasury statement basis have been received than are reported as collections, and a negative adjustment indicates the reverse situation.

<sup>3</sup> Less than .05 percent.

<sup>4</sup> Amounts actually withheld are reported on a collection basis by the Bureau of Internal Revenue in the first and second months following the quarter in which the actual withholding took place. On the daily Treasury statement basis a large portion of the amounts withheld are reported in the first month following the month in which the actual withholding took place. The adjustment is the difference between the figure shown on a collection basis and the figure shown on the daily Treasury statement basis for the given period.

<sup>5</sup> Credits to trust funds are not included.

<sup>6</sup> Includes collections from taxes on narcotics, taxes imposed under the National Firearms Act, and the tax on hydraulic mining, all of which are effective currently. In addition, includes collections from excise taxes repealed prior to and including the Revenue Act of 1942 (consisting primarily of rubber articles, electric signs, optical equipment, and washing machines); collections from the tobacco, matches, tires and tubes floor stocks taxes imposed by the Revenue Acts of 1941 and 1942; and collections under the Bituminous Coal Act of 1937 which expired August 24, 1943.

TABLE 7.—Comparison of detailed internal revenue collections, fiscal years 1943 and 1944

[On basis of reports of collections, see p. 520]

Source	1943	1944	Increase or decrease (—)
<b>Income, excess profits, and unjust enrichment taxes:</b>			
Corporation income taxes.....	\$4,520,851,709.88	\$5,284,145,852.31	\$763,294,142.43
Individual income taxes.....	5,943,916,978.59	10,437,570,433.53	4,493,653,454.94
Income tax—withholding at source on salaries and wages.....	686,015,010.47	7,823,434,977.46	7,137,419,966.99
<b>Total income taxes</b> .....	<b>11,150,783,698.94</b>	<b>23,545,151,263.30</b>	<b>12,394,367,564.36</b>
Excess profits taxes—declared value.....	82,011,996.02	136,979,571.41	54,967,575.39
Excess profits taxes—Vinson Act.....	420,488.82	39,036.47	—381,452.35
Excess profits taxes—Revenue Acts of 1940, 1941, and 1942, as amended.....	5,063,863,613.73	9,345,198,293.03	4,281,334,679.30
Unjust enrichment taxes (Title III, Revenue Act of 1936).....	1,808,294.05	433,723.98	—1,374,570.07
<b>Total income, excess profits, and unjust enrichment taxes</b> .....	<b>16,298,888,091.56</b>	<b>33,027,801,888.19</b>	<b>16,728,913,796.63</b>
<b>Capital stock tax</b> .....	<b>328,794,970.85</b>	<b>380,702,005.85</b>	<b>51,907,035.00</b>
Estate tax.....	414,530,598.81	473,465,605.12	58,935,006.31
Gift tax.....	32,965,078.68	37,744,731.75	4,779,653.07
<b>Liquor taxes:</b>			
Distilled spirits (imported) excise tax.....	83,406,478.87	286,871,176.22	203,464,697.35
Distilled spirits (domestic) excise tax.....	698,300,277.93	611,835,145.13	—86,465,132.80
Distilled spirits, rectification tax.....	18,836,378.30	18,874,168.27	37,789.97
Still or sparkling wines, cordials, etc. (imported), excise tax.....	743,363.80	4,027,490.19	3,284,126.39
Still or sparkling wines, cordials, etc. (domestic), excise tax.....	32,919,973.19	30,067,851.04	—2,852,122.15
Brandy used for fortifying sweet wines (repealed June 24, 1940).....	6,142.67	11,519.16	5,376.49
Rectifiers, retail and wholesale liquor dealers, manufacturers of stills (special taxes).....	7,007,870.57	8,109,220.46	1,101,349.89
Stamps for distilled spirits intended for export.....	817.50	2,101.60	1,284.10
Stamps for distilled spirits bottled in bond.....	1,298,548.12	1,369,157.83	70,609.71
Container stamps (Liquor Taxing Act of 1934).....	10,549,098.15	8,515,931.44	—2,033,166.71
Floor taxes (levies on tax-paid stocks, inventories of Jan. 12, 1934, July 1, 1938, July 1, 1940, Oct. 1, 1941, Nov. 1, 1942, and April 1, 1944).....	111,538,926.27	85,834,272.82	—25,704,653.45
Fermented malt liquors.....	455,634,420.81	559,151,627.85	103,517,207.04
Brewers, retail and wholesale dealers in fermented malt liquors (special taxes).....	3,238,095.26	3,375,009.16	136,913.90
<b>Total liquor taxes</b> .....	<b>1,423,480,391.44</b>	<b>1,618,044,671.17</b>	<b>194,564,279.73</b>
<b>Stamp taxes (Title VIII, Revenue Act of 1926, as amended):</b>			
Bonds, issues of capital stock, deeds of conveyance, etc.....	21,765,731.77	26,243,240.34	4,477,508.57
Capital stock and similar interests, sales or transfers.....	15,584,590.89	17,096,097.89	1,511,507.00
Playing cards.....	7,693,909.12	7,413,576.66	—280,332.46
Silver bullion sales or transfers.....	111,053.89	46,772.38	—64,281.51
<b>Total stamp taxes</b> .....	<b>45,155,285.67</b>	<b>50,799,687.27</b>	<b>5,644,401.60</b>
<b>Tobacco taxes:</b>			
Cigars (large):			
Class A.....	4,286,995.54	633,222.63	—3,653,772.91
Class B.....	2,299,016.86	1,084,121.27	—1,214,895.59
Class C.....	9,484,622.84	9,658,669.01	174,046.17
Class D.....	752,756.12	1,555,034.24	802,278.12
Class E.....	5,112,823.14	14,340,640.14	9,227,817.00
Class F.....	1,011,040.87	2,291,548.17	1,280,507.30
Class G.....	127,821.86	588,841.45	461,019.59
<b>Total cigars (large)</b> .....	<b>23,075,077.23</b>	<b>30,152,076.91</b>	<b>7,076,999.68</b>
Cigars (small).....	97,317.38	107,285.84	9,966.46
Cigarettes (large).....	29,600.19	88,462.35	58,862.16
Cigarettes (small).....	835,230,743.35	903,957,882.53	68,727,139.18
Snuff.....	7,513,283.33	7,692,236.61	148,953.28
Tobacco, chewing and smoking.....	47,849,119.88	45,269,250.33	—2,579,869.55
Cigarette papers and tubes.....	1,472,325.92	1,164,377.58	—307,948.34
Leaf dealer penalties.....	3,566.21	1,706.51	—1,859.70
Cigarette and cigar floor taxes.....	8,556,250.14	49,960.23	—8,506,289.91
<b>Total tobacco taxes</b> .....	<b>923,857,283.63</b>	<b>988,483,236.89</b>	<b>64,625,953.26</b>

TABLE 7.—Comparison of detailed internal revenue collections, fiscal years 1943 and 1944—Continued

Source	1943	1944	Increase or decrease (—)
<b>Manufacturers' excise taxes:</b>			
Lubricating oils.....	\$43,318,312.71	\$52,473,093.61	\$9,154,780.90
Matches.....	9,372,261.29	8,726,093.12	-646,168.17
Gasoline.....	288,785,826.00	271,216,501.79	-17,569,324.21
Electrical energy.....	48,705,138.94	51,238,653.30	2,533,514.36
Tires and inner tubes.....	18,345,386.92	40,337,748.92	21,988,360.00
Rubber articles (repealed).....	14,885,162.88	294,920.19	-14,590,242.69
Phonograph records.....	1,816,525.67	1,889,456.28	72,930.61
Musical instruments.....	1,280,124.32	633,040.46	-647,083.86
Luggage.....	5,681,525.65	4,777,176.00	-904,349.65
Electric, gas, and oil appliances.....	6,912,969.83	5,026,905.40	-1,886,064.43
Electric signs (repealed).....	613,973.01	255,320.50	-358,652.51
Business and store machines.....	6,461,448.00	3,759,980.70	-2,701,467.30
Washing machines (repealed).....	37,223.54	31,908.17	-5,315.37
Optical equipment (repealed).....	292,887.55	8,071.55	-284,816.00
Photographic apparatus (repealed).....	11,164,427.06	11,906,882.71	742,455.65
Electric light bulbs and tubes.....	3,657,242.89	5,367,788.18	1,710,545.29
Automobile trucks.....	4,229,689.98	3,246,727.35	-982,962.63
Other automobiles and motorcycles.....	1,424,230.26	1,221,736.93	-202,493.33
Parts and accessories for automobiles.....	20,478,407.66	31,551,319.19	11,072,911.53
Radio sets, phonographs, components, etc.....	5,560,589.48	3,402,467.98	-2,158,121.50
Refrigerators, air-conditioners, etc.....	5,965,909.34	2,406,231.93	-3,559,677.41
Sporting goods.....	4,067,598.02	2,498,209.92	-1,569,388.10
Firearms, shells and cartridges.....	1,149,332.58	1,061,014.95	-88,287.63
Pistols and revolvers.....	61,513.26	37,218.92	-24,294.34
Toilet preparations (perfumes, cosmetics, etc.) (repealed Oct. 1, 1941).....	425,050.86	37,159.45	-387,891.41
Toilet preparations (dentifrices, toilet soaps, etc.) (repealed July 1, 1938).....	12,619.51	42,572.24	29,952.73
Repealed manufacturers' excise taxes.....	43,726.09	17,942.62	-25,783.47
<b>Total manufacturers' excise taxes.....</b>	<b>504,749,103.30</b>	<b>503,462,170.36</b>	<b>-1,286,932.94</b>
<b>Miscellaneous taxes:</b>			
Bituminous Coal Act of 1937.....	5,626,478.51	1,402,697.10	-4,223,781.41
Sugar Act of 1937.....	53,551,776.72	68,788,910.31	15,237,133.59
Telegraph, telephone, cable, and radio facilities.....	91,174,496.27	141,275,266.52	50,100,770.25
Local telephone service.....	66,986,794.12	90,198,986.83	23,212,192.71
Use of motor vehicles.....	146,289,284.48	134,325,537.83	-11,963,746.65
Use of boats.....	377,917.04	351,662.94	-26,254.10
Bowling alleys, pool tables, etc.....	1,852,664.62	2,208,422.24	355,757.62
Coin-operated devices.....	10,487,104.00	18,475,491.99	7,988,387.99
Transportation of persons.....	87,131,734.00	153,682,607.58	66,550,873.58
Transportation of property (effective Dec. 1, 1942).....	82,556,148.08	215,487,851.87	132,931,703.79
Transportation of oil by pipe line.....	13,672,086.80	15,850,856.83	2,178,770.03
Leases of safe deposit boxes.....	6,070,006.08	6,593,674.78	523,578.70
Admissions to theaters, concerts, cabarets, etc.....	154,450,722.80	205,289,025.61	50,838,302.81
Club dues and initiation fees.....	6,519,891.02	9,181,516.71	2,661,625.69
Adulterated butter, including special taxes.....	40,535.50	10,410.94	-30,124.56
Renovated butter, including special taxes.....	8,725.75	7,478.50	-1,247.25
Filled cheese.....	5,267.58	39.20	-5,228.38
Mixed flour (repealed).....	4,278.00	-----	-4,278.00
Oleomargarine:			
Colored.....	237,569.47	1,080,562.64	842,993.17
Uncolored.....	1,088,155.57	1,190,481.13	102,325.56
Special taxes.....	1,294,918.76	1,812,619.36	517,700.60
Marihuana Tax Act of 1937.....	69,502.63	23,921.82	-45,580.81
Narcotics (opium, coco leaves, and special taxes).....	718,591.51	755,493.49	36,901.98
Coconut, etc., oils processed.....	1,939,099.03	7,190,234.32	5,251,135.29
Crude petroleum processed (repealed July 1, 1938).....	42.65	-----	-42.65
National Firearms Act.....	20,190.79	16,133.87	-4,056.92
Receipts from miscellaneous sources, etc.....	158,287.68	201,258.43	42,970.75
<b>Total miscellaneous taxes.....</b>	<b>732,332,359.46</b>	<b>1,075,401,142.84</b>	<b>343,068,783.38</b>
<b>Retailers' excise taxes:</b>			
Jewelry.....	88,365,799.04	113,372,750.85	25,006,951.81
Furs.....	44,222,755.27	58,725,694.05	14,502,938.78
Toilet preparations.....	32,677,315.04	44,790,353.37	12,113,038.33
Luggage.....	-----	8,343,466.19	8,343,466.19
<b>Total retailers' excise taxes.....</b>	<b>165,265,869.35</b>	<b>225,232,264.46</b>	<b>59,966,395.11</b>

TABLE 7.—Comparison of detailed internal revenue collections, fiscal years 1943 and 1944—Continued

Source	1943	1944	Increase or decrease (—)
Employment taxes:			
Federal Insurance Contributions Act.....	\$1,131,546,128.69	\$1,290,024,857.45	\$158,478,728.76
Federal Unemployment Tax Act (employ- ment of 8 or more).....	156,007,662.17	183,336,565.38	27,328,903.21
Carriers taxes (old-age benefits).....	211,151,242.73	265,011,013.06	53,859,770.33
Total employment taxes.....	1,498,705,033.59	1,738,372,435.89	239,667,402.30
Grand total, all collections.....	22,368,724,066.34	40,119,509,839.79	17,750,785,773.45
Adjustment for items in transit.....	—224,755,067.06	11,565,477,490.48	1,790,232,557.54
Receipts per daily Treasury statement.....	22,143,968,999.28	41,684,987,330.27	19,541,018,330.99

## COLLECTIONS FOR CREDIT TO TRUST ACCOUNTS (EXCLUDED IN THE TABLE ABOVE)

	1943	1944	Increase or decrease (—)
Distilled spirits (domestic).....	\$166,064.82	\$730,463.80	\$564,398.98
Distilled spirits rectification tax.....	.18	.96	.78
Wines (domestic).....		20.00	20.00
Coconut oil.....	2,496,365.21	1,519,908.22	—976,456.99
Total trust fund collections.....	2,662,430.21	2,250,392.98	—412,037.23

<sup>1</sup> This adjustment is due principally to withheld taxes deposited in the Treasury but not yet included in reports of collections of the Bureau of Internal Revenue.

TABLE 8.—Internal revenue collections, by tax sources, fiscal years 1916 through 1944<sup>1</sup>

[On basis of reports of collections, see p. 520]

Year	Income, excess profits, <sup>2</sup> and unjust enrichment taxes			
	Corporation income taxes			
	Normal and surtaxes <sup>3</sup>	Excess profits tax	Unjust enrich- ment tax	Total <sup>3</sup>
1916.....	\$56,993,658			\$56,993,658
1917.....	4 207,236,828	\$37,176		207,274,004
1918.....				
1919.....				
1920.....				
1921.....				
1922.....				
1923.....				
1924.....				
1925.....	916,232,697			916,232,697
1926.....	1,094,979,734			1,094,979,734
1927.....	1,308,012,533			1,308,012,533
1928.....	1,291,845,989			1,291,845,989
1929.....	1,235,733,256			1,235,733,256
1930.....	1,263,414,466			1,263,414,466
1931.....	1,026,392,699			1,026,392,699
1932.....	629,566,115			629,566,115
1933.....	394,217,784			394,217,784
1934.....	397,515,852	2,630,615		400,146,467
1935.....	572,115,002	6,560,483		578,675,485
1936.....	738,520,530	14,509,290		753,029,820
1937.....	1,056,909,063	25,104,608	\$6,073,351	1,088,087,022
1938.....	1,299,932,072	36,569,042	6,216,736	1,342,717,850
1939.....	1,122,540,801	27,056,373	6,683,335	1,156,280,509
1940.....	1,120,581,551	18,474,202	8,536,178	1,147,591,931
1941.....	1,851,987,990	192,385,252	9,095,562	2,053,468,804
1942.....	3,069,273,346	1,670,408,040	4,401,768	4,744,083,154
1943.....	4,520,851,710	5,146,296,099	1,808,294	9,668,956,103
1944.....	5,284,145,852	9,482,216,901	433,724	14,766,796,477

Footnotes at end of table.





TABLE 8.—*Internal revenue collections, by tax sources, fiscal years 1916 through 1944*<sup>1</sup>—Continued

Year	Stamp taxes					
	Bonds, issues of capital stock, deeds of conveyance, etc. <sup>5</sup>	Capital stock and similar interests, sales or transfers	Sales of produce for future delivery	Playing cards	Silver bullion, sales or transfers	Total stamp taxes
1916.....	\$38,110,282	( <sup>6</sup> )	( <sup>6</sup> )	\$819,654	-----	\$38,929,936
1917.....	8,254,342	( <sup>6</sup> )	( <sup>6</sup> )	820,897	-----	9,075,239
1918.....	17,284,805	\$2,236,040	\$2,353,889	1,276,505	-----	23,151,239
1919.....	28,946,888	7,540,881	7,263,571	2,091,791	-----	45,843,131
1920.....	59,715,331	13,372,164	8,171,871	3,088,462	-----	84,347,828
1921.....	53,551,491	8,790,906	7,521,676	2,603,941	-----	72,468,014
1922.....	41,347,753	9,012,702	5,558,589	2,787,921	-----	58,706,965
1923.....	44,603,166	9,871,604	7,015,382	3,385,227	-----	64,875,379
1924.....	43,031,608	7,936,832	7,557,577	3,781,537	-----	62,257,554
1925.....	27,862,622	12,808,629	5,397,148	3,183,385	-----	49,251,784
1926.....	28,480,422	17,137,186	4,183,218	4,213,414	-----	54,014,240
1927.....	13,044,446	16,674,103	2,884,534	4,742,469	-----	37,345,552
1928.....	15,561,459	24,208,538	4,048,499	5,010,712	-----	48,829,208
1929.....	17,898,372	37,595,928	3,333,427	5,375,804	-----	64,173,531
1930.....	22,611,275	46,698,227	3,599,875	4,819,293	-----	77,728,670
1931.....	14,757,383	25,519,973	1,682,681	4,993,559	-----	46,953,596
1932.....	9,198,539	17,696,130	959,320	4,386,831	-----	32,240,820
1933.....	16,034,755	33,188,495	4,206,598	3,908,354	-----	57,338,202
1934.....	16,259,305	38,065,999	7,847,743	4,406,385	\$606	66,580,038
1935.....	17,934,777	15,747,363	3,950,544	4,351,299	1,149,390	43,133,373
1936.....	28,162,658	33,054,798	2,943,542	4,143,698	685,188	68,989,884
1937.....	28,651,710	31,350,597	5,096,814	4,186,502	633,712	69,919,335
1938.....	20,083,581	18,355,346	3,599,389	4,052,567	142,107	46,232,990
1939.....	19,366,430	17,064,488	248,982	4,141,167	261,772	41,082,839
1940.....	18,145,228	15,527,950	-----	4,814,328	193,737	38,681,243
1941.....	22,072,503	12,176,497	93	4,756,572	51,286	39,056,951
1942.....	22,875,490	13,028,317	-----	5,757,956	40,402	41,702,165
1943.....	21,765,732	15,584,591	-----	7,693,909	111,054	45,155,286
1944.....	26,243,240	17,096,098	-----	7,413,577	46,772	50,799,687

Year	Tobacco manufactures, including special taxes in effect to June 30, 1926	Manufacturers', etc., excise <sup>7</sup>	Soft drinks	Telegraph, telephone, cable, and, radio facilities, etc.	Transportation, including oil by pipe line <sup>8</sup>	Insurance
1916.....	\$88,063,948	\$4,218,979	-----	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )
1917.....	103,201,592	775,078	-----	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )
1918.....	156,188,660	36,636,607	\$2,215,181	\$6,299,017	\$64,437,533	\$6,492,025
1919.....	206,003,092	79,400,266	7,182,219	17,902,389	219,937,183	14,508,881
1920.....	295,809,355	267,968,579	57,460,956	27,677,041	261,671,046	18,421,754
1921.....	255,219,385	229,397,837	58,675,973	28,442,413	273,070,001	18,992,064
1922.....	270,759,384	174,361,288	33,504,284	29,271,522	169,518,727	10,855,404
1923.....	309,015,493	185,117,058	10,131,897	30,380,784	-----	-----
1924.....	325,638,931	200,921,721	10,418,866	34,662,429	-----	-----
1925.....	345,247,211	140,877,326	-----	-----	-----	-----
1926.....	370,666,439	150,220,488	-----	-----	-----	-----
1927.....	376,170,205	66,850,109	-----	-----	-----	-----
1928.....	396,450,041	51,951,694	-----	-----	-----	-----
1929.....	434,444,543	5,723,791	-----	-----	-----	-----
1930.....	450,339,061	2,676,261	-----	-----	-----	-----
1931.....	444,276,503	149,744	-----	-----	-----	-----
1932.....	398,578,619	96,195	-----	-----	-----	-----
1933.....	402,739,059	243,600,368	4,186,447	14,564,756	7,467,298	-----
1934.....	425,168,897	385,291,214	4,746,733	19,250,800	10,379,370	-----
1935.....	458,775,934	342,144,686	129,991	19,741,434	9,479,722	-----
1936.....	500,785,385	382,716,142	60,029	21,098,348	9,793,995	-----
1937.....	551,922,580	449,853,630	38,553	24,569,627	11,244,096	-----
1938.....	567,777,410	416,753,516	35,052	23,977,064	12,517,030	-----
1939.....	579,784,074	396,891,003	5,362	24,093,719	10,954,733	-----
1940.....	608,072,770	447,087,632	2,062	26,367,945	11,510,647	-----
1941.....	697,712,322	617,373,372	771	27,331,114	12,480,586	-----
1942.....	780,792,270	771,902,259	3,937	75,022,772	34,853,718	-----
1943.....	923,857,284	504,746,434	2,670	158,161,290	183,359,969	-----
1944.....	988,483,237	503,461,802	368	231,474,253	385,021,316	-----

Footnotes at end of table.

TABLE 8.—*Internal revenue collections, by tax sources, fiscal years 1916 through 1944*<sup>1</sup>—Continued

Year	Leases of safe deposit boxes	Checks, drafts, or orders for the payment of money	Admissions	Club dues	Oleomargar- ine, includ- ing special taxes	Narcotics, including special taxes
1916					\$1,485,971	\$245,072
1917					1,995,720	277,165
1918			\$26,357,339	\$2,259,057	2,336,907	185,359
1919			50,919,608	4,072,549	2,791,831	726,137
1920			76,720,555	5,198,001	3,728,276	1,514,230
1921			89,730,833	6,159,818	2,986,465	1,170,316
1922			73,384,956	6,615,634	2,121,080	1,269,090
1923			70,175,147	7,170,731	2,254,531	1,013,736
1924			77,712,524	8,009,861	2,814,104	1,057,341
1925			30,907,809	8,690,588	3,038,928	1,090,933
1926			23,980,677	10,073,838	3,070,218	981,739
1927			17,940,637	10,436,021	3,164,219	797,825
1928			17,724,952	10,352,990	3,407,600	690,432
1929			6,083,056	11,245,255	3,611,153	605,336
1930			4,230,667	12,521,092	3,919,388	588,682
1931			2,778,864	11,477,723	2,681,428	607,340
1932			1,858,606	9,204,587	1,744,737	521,163
1933	\$2,365,041	\$38,456,493	15,520,512	6,679,261	1,347,191	457,068
1934	2,715,851	41,383,199	14,613,414	5,986,150	1,476,230	495,270
1935	2,317,619	25,645,139	15,379,397	5,784,495	2,048,977	580,613
1936	1,997,410	25,556	17,112,176	6,090,923	2,203,804	554,028
1937	2,039,714	8,221	19,740,192	6,287,768	2,348,415	573,493
1938	2,013,159	14,770	20,800,779	6,550,931	2,465,926	574,164
1939	1,980,525	4,288	19,470,802	6,216,900	2,210,386	572,088
1940	1,988,934	2,304	21,887,916	6,334,909	2,013,600	610,098
1941	2,215,898	1,733	20,963,094	6,582,649	2,121,713	690,288
1942	3,662,536	1,629	115,032,269	6,791,900	2,244,252	745,043
1943	6,070,096	1,714	154,450,723	6,519,891	2,620,644	788,094
1944	6,593,675	292	205,289,026	9,181,517	4,083,663	779,415

Year	Coconut, etc., oils processed	Crude pe- troleum processed, etc.	National Firearms Act	Bituminous coal	Employment	
					Social security	Carriers and their employees
1935	\$7,314,619	\$1,759,790	\$8,015			
1936	11,730,752	1,163,755	5,342	\$729,218		\$48,279
1937	11,560,430	894,183	4,451		\$265,458,404	286,904
1938	13,266,652	991,248	10,747	3,211,601	593,184,560	149,475,666
1939	9,024,699	106,055	9,079	3,317,259	631,002,237	109,426,628
1940	5,697,834	555	12,389	4,161,664	711,473,332	122,047,644
1941	5,163,184	359	15,898	4,385,799	787,985,273	137,871,188
1942	7,160,701	473	19,502	5,478,909	1,014,952,829	170,409,015
1943	1,939,099	43	20,191	5,626,479	1,287,553,791	211,151,243
1944	7,190,234		16,134	1,402,697	1,473,361,423	265,011,013

Year	Retailers' excise	Use of motor vehicles	Use of boats	Bowling alleys, pool tables, etc.	Coin-oper- ated devices
1942	\$80,167,124	\$72,625,488	\$228,387	\$1,698,394	\$6,485,000
1943	165,265,869	146,289,284	377,917	1,852,664	10,487,104
1944	225,232,264	134,325,538	351,663	2,208,422	18,475,492

Footnotes at end of table.

TABLE 8.—*Internal revenue collections, by tax sources, fiscal years 1916 through 1944*<sup>1</sup>—Continued

Year	Receipts in connection with prohibition enforcement	Miscellaneous <sup>2</sup>	Special taxes not elsewhere included <sup>10</sup>	Agricultural adjustment	Sugar Act of 1937	Grand total <sup>3</sup>
1916.....		\$480,477	\$6,908,108			\$512,723,288
1917.....		892,681	5,237,044			809,393,640
1918.....		1,091,814	2,691,587			3,698,955,821
1919.....		1,501,005	4,721,298			3,850,150,079
1920.....	\$641,029	3,045,183	9,913,281			5,407,580,252
1921.....	2,152,387	1,975,970	8,585,540			4,595,357,062
1922.....	1,979,587	3,881,415	8,662,760			3,197,451,083
1923.....	729,244	3,125,078	8,035,583			2,621,745,228
1924.....	855,395	4,232,637	7,814,414			2,796,179,257
1925.....	560,888	12,156,929	5,811,558			2,584,140,268
1926.....	416,198	870,777	4,546,978			2,835,999,892
1927.....	502,877	2,009,639	7,967			2,865,683,130
1928.....	925,252	1,536,971	9,763			2,790,535,538
1929.....	727,006	536,111				2,939,054,375
1930.....	1,105,172	265,651				3,040,145,733
1931.....	586,150	166,518				2,428,228,754
1932.....	490,773	110,569				1,557,729,042
1933.....	529,789	72,435	239,859			1,619,839,224
1934.....	378,715	50,295,759	180,673	\$371,422,886		2,672,239,195
1935.....		989,792	1,737	526,222,358		3,281,791,303
1936.....		429,891	1,687	62,323,329		3,494,330,891
1937.....		851,822	189			4,634,308,141
1938.....		503,950	68		\$30,569,130	5,643,848,186
1939.....		159,632			65,414,058	5,162,363,836
1940.....		189,049			68,145,358	5,322,771,229
1941.....		43,515			74,834,722	7,351,533,723
1942.....		216,035			68,229,803	13,029,915,278
1943.....		215,380			53,551,777	22,368,724,066
1944.....		218,896			68,788,910	40,119,509,840

NOTE.—Figures for 1935 and subsequent years exclude trust fund receipts. Figures are rounded to nearest dollar and will not necessarily add to totals.

<sup>1</sup> For figures for 1863 to 1915, see annual report for 1929, p. 419.

<sup>2</sup> Separate figures on corporation and individual income and excess profits tax collections not available for the years 1918 to 1924.

<sup>3</sup> Includes income tax on Alaska Railways except in fiscal years 1935, 1936, and 1937, during which time these receipts were considered trust fund receipts.

<sup>4</sup> Includes munitions manufacturers' tax, 1917, \$27,663,940; and 1918, \$13,296,927.

<sup>5</sup> Originally schedule A, act of Oct. 22, 1914; now covers issues and transfers of bonds, issues of capital stock, passage tickets, foreign insurance policies, and deeds of conveyance.

<sup>6</sup> Included under "Stamp taxes—Bonds, etc."

<sup>7</sup> Includes taxes on sales under act of Oct. 22, 1914, manufacturers', consumers', and dealers' excise taxes under the war revenue and subsequent acts, except soft drink taxes; all taxes paid by manufacturers of and dealers in adulterated and process or renovated butter, mixed flour, and filled cheese; and for 1932-44, manufacturers' excise taxes (act of 1932, as amended) except soft drinks.

<sup>8</sup> Includes tax on transportation of persons beginning in 1942, and tax on transportation of property beginning in 1943 (levied Dec. 1, 1942).

<sup>9</sup> Includes receipts, in addition to those classed as miscellaneous, as follows: (a) for 1916-33, delinquent taxes collected under repealed laws, except delinquent collections on automobiles for 1929 and 1930, included under "Manufacturers' excise taxes," and on "Capital stock," under which the collections for 1927-30 represent delinquencies; (b) for 1919, 1920, and 1921 receipts which remained unclassified at the time the statistical tables were compiled; (c) internal revenue collected through customs offices for 1921-33; subsequently such receipts are included with "Distilled spirits"; (d) penalties for 1916, \$458,773; 1917, \$871,606; and 1918, \$985,220; after 1918 all penalties are included under the respective taxes to which they relate; (e) for 1933 and subsequent years taxes on jewelry and candy formerly classified as manufacturers' excise taxes, and tax on dividends.

<sup>10</sup> Includes the occupational taxes imposed under the act of Oct. 22, 1914, on various classes of entertainment proprietors, brokers, and bankers, with subsequent repeals and amendments to include hackney automobiles and boats. Collections for 1933 and 1934 were entirely from pleasure boats.

TABLE 9.—Internal revenue collections, by States, fiscal year 1944<sup>1</sup>

[On basis of reports of collections, see p. 520]

State	Corporation income taxes			Individual income taxes <sup>2</sup>	Total income, excess profits, and unjust enrichment taxes <sup>3</sup>	Miscellaneous internal revenue taxes <sup>3,4</sup>	Employment taxes, including carriers taxes	Total collections <sup>3,4,5</sup>
	Normal and surtaxes	Excess profits taxes	Unjust enrichment taxes					
Alabama.....	\$23,123,302.02	\$55,911,349.76	—	\$138,570,806.22	\$217,605,458.00	\$15,101,459.48	\$15,262,426.29	\$247,969,343.77
Arizona.....	3,868,462.46	7,088,208.16	\$772.26	50,436,583.92	61,364,028.77	5,175,524.56	2,458,077.03	68,997,628.36
Arkansas.....	8,576,047.83	12,388,237.69	296.97	58,720,193.92	79,914,778.41	8,336,187.10	4,044,572.37	92,265,537.88
California.....	296,546,720.49	618,611,495.17	2,930.28	1,950,024,288.30	2,865,185,434.24	361,658,851.05	144,746,837.16	3,371,591,123.45
Colorado.....	26,483,617.33	25,501,305.04	200.00	117,300,410.79	169,285,641.16	36,172,088.83	214,571,188.20	371,591,123.45
Connecticut.....	93,114,422.81	269,413,062.78	136.00	412,192,191.83	801,719,533.42	63,295,563.78	39,582,951.87	904,598,049.07
Delaware.....	120,774,681.32	153,848,902.42	58.00	113,005,598.36	300,230,240.10	13,381,817.08	14,070,297.70	417,848,630.83
District of Columbia.....	22,946,252.81	37,822,808.46	—	318,311,460.63	378,780,922.17	27,528,480.53	13,589,637.14	419,848,630.83
Florida.....	23,771,888.00	36,896,337.16	29,762.98	226,434,164.63	289,132,152.77	42,278,022.93	12,552,080.80	343,948,086.50
Georgia.....	43,804,040.74	98,232,164.92	20,657.53	184,540,352.16	326,397,245.35	42,516,613.37	17,004,509.23	386,118,367.95
Idaho.....	6,323,145.28	6,349,541.20	111.30	38,941,207.84	51,614,005.62	4,610,924.40	2,537,721.16	58,702,651.18
Illinois.....	460,102,895.16	850,711,746.70	9,173.40	1,371,194,047.18	2,682,017,832.44	394,645,936.81	155,046,483.94	3,231,730,253.19
Indiana.....	75,719,545.93	224,779,771.96	3,940.40	331,929,092.94	632,432,351.23	171,787,296.47	27,295,215.34	831,514,863.04
Iowa.....	27,147,310.42	50,366,701.25	107,189.00	184,747,774.37	262,428,975.04	20,311,497.07	10,494,463.65	293,234,925.76
Kansas.....	86,173,982.15	74,776,294.03	52,107.66	152,429,796.98	313,380,073.16	24,850,869.63	17,577,926.11	355,808,868.90
Kentucky.....	33,603,539.44	97,182,512.56	—	133,345,582.75	264,183,742.41	273,257,060.67	14,814,776.84	552,255,579.92
Louisiana.....	29,818,871.73	46,062,038.13	815.29	167,302,120.55	243,183,845.70	52,995,464.50	13,206,878.82	309,386,189.02
Maine.....	14,535,221.49	41,313,086.28	—	75,651,225.58	130,899,533.35	8,972,758.00	8,039,246.37	147,911,537.72
Maryland.....	56,255,145.63	106,690,746.89	446.28	355,295,107.49	518,250,446.19	159,978,453.41	31,320,214.21	709,549,113.81
Massachusetts.....	208,342,712.54	400,894,796.99	5,520.79	683,681,571.22	1,292,924,601.54	145,367,736.15	60,328,326.17	1,498,620,663.86
Michigan.....	334,844,652.31	573,301,033.57	2,273.72	1,202,752,374.70	2,110,240,334.30	144,521,718.60	115,883,909.77	2,370,645,962.67
Minnesota.....	84,855,526.60	120,321,726.77	13,043.61	292,562,476.36	467,759,238.34	75,924,011.30	32,892,064.38	576,568,859.02
Mississippi.....	7,778,315.94	12,999,242.73	237.13	57,844,376.12	78,122,171.92	6,349,218.63	3,694,966.33	88,166,356.83
Missouri.....	149,606,850.28	249,068,050.69	1,245.37	382,263,748.35	780,939,624.65	141,334,536.85	48,645,702.75	970,919,864.29
Montana.....	6,384,406.99	4,791,358.21	52.51	38,120,785.94	48,296,063.65	6,766,736.33	1,781,070.49	56,834,470.47
Nebraska.....	24,321,936.33	25,226,129.69	536.82	123,627,966.09	173,176,867.93	32,216,564.30	18,137,821.00	223,501,575.93
Nevada.....	4,684,494.76	2,028,397.27	—	25,365,185.99	32,078,078.02	2,751,459.91	872,088.06	35,701,575.93
New Hampshire.....	6,568,438.08	13,254,395.59	23,247.64	43,858,803.97	63,681,636.74	7,097,919.80	3,356,117.66	74,135,674.20
New Jersey.....	155,540,543.34	291,120,762.80	23,477.64	673,128,609.91	1,119,813,163.69	214,408,464.51	58,050,474.72	1,392,272,102.92
New Mexico.....	2,064,200.73	2,139,180.90	45.70	28,785,237.62	37,988,664.95	3,139,001.70	1,103,844.20	37,231,510.85
New York.....	1,143,346,580.71	2,028,805,738.89	30,278.33	3,160,339,317.16	6,332,521,916.09	755,941,608.03	320,987,452.43	7,409,450,971.55
North Carolina.....	62,645,655.85	145,354,780.42	164.42	166,442,171.08	371,427,645.88	495,890,271.25	21,859,030.91	892,305,074.51
North Dakota.....	1,998,448.33	1,394,153.39	—	27,737,044.16	31,129,642.88	2,617,188.74	859,686.73	34,606,521.35
Ohio.....	694,655,167.54	766,286,298.60	4,117.23	1,081,667,262.53	2,542,612,846.88	293,142,712.55	114,420,813.48	2,950,176,372.91
Oklahoma.....	49,017,703.63	27,062,855.45	3,508.21	131,652,284.88	207,136,352.09	18,415,965.17	10,775,567.63	315,855,798.65
Oregon.....	19,018,641.17	46,339,631.77	—	208,976,119.54	282,334,562.48	15,415,965.17	15,705,272.00	315,855,798.65
Pennsylvania.....	451,743,241.62	869,147,803.58	16,915.15	1,422,025,410.82	2,742,933,371.47	452,107,528.57	181,797,794.84	3,376,838,680.58
Rhode Island.....	23,168,559.79	81,392,878.93	127.36	118,387,939.82	224,949,905.90	21,605,884.39	10,308,746.14	256,864,536.43

South Carolina.....	18,247,009.82	70,174,814.37	11,567.65	69,810,610.24	158,250,011.08	8,735,734.51	6,872,481.98	173,858,227.57
South Dakota.....	2,642,021.40	2,298,812.35	143.07	27,751,368.36	32,692,345.18	3,571,780.37	1,105,704.69	37,369,880.24
Tennessee.....	29,506,463.41	69,021,153.30	22,426.28	163,748,282.26	202,298,325.25	26,836,553.43	14,553,861.31	303,688,739.99
Texas.....	120,229,574.46	130,296,111.33	1,699.03	604,791,409.91	855,318,794.73	137,931,228.07	44,141,628.29	1,037,391,651.09
Utah.....	11,509,306.69	11,040,478.15	3,418.89	49,730,524.30	72,283,728.03	9,941,874.65	3,694,049.68	85,919,652.36
Vermont.....	4,919,073.96	18,805,230.47	282.96	22,155,044.98	45,880,232.37	3,786,956.69	2,535,593.23	52,202,732.29
Virginia.....	59,720,482.03	146,892,294.35	528.60	222,409,941.32	429,022,717.70	378,434,037.26	23,091,450.03	830,548,224.99
Washington.....	36,285,227.87	140,985,383.44	2,828.75	363,251,705.16	540,532,845.07	39,943,837.21	24,997,720.82	605,474,423.10
West Virginia.....	24,719,396.23	35,060,146.04	645.49	91,801,401.34	151,583,772.36	17,543,402.14	10,137,799.02	179,295,033.52
Wisconsin.....	73,474,035.78	324,916,723.16	241.92	290,422,678.00	688,814,745.43	104,551,182.26	28,794,717.63	822,160,645.32
Wyoming.....	2,172,004.21	1,596,973.58	808.833.25	21,014,208.92	24,783,428.63	3,209,279.41	953,268.75	28,945,976.79
Alaska.....	743,767.80	808,833.25	15,281,174.03	15,281,174.03	16,893,775.08	1,380,658.24	531,512.62	18,805,945.94
Hawaii.....	14,381,779.26	27,445,236.32	91,312,914.94	91,312,914.94	133,139,930.52	14,337,015.11	3,284,363.91	130,781,309.54
Puerto Rico.....				26,835.60	26,835.60	3,368,212.24		3,395,047.84
Total on collection basis.....	5,284,145,852.31	9,482,216,900.91	433,723.98	18,261,005,410.99	33,027,801,888.19	5,353,335,515.71	1,738,372,435.89	40,119,509,839.79
Adjustment for items in transit.....					6+1,627,049,963.98	-62,296,456.40	+723,952.90	+1,565,477,490.48
Total on basis of daily Treasury statement.....					34,654,851,852.17	5,291,039,059.31	1,739,096,418.79	41,684,987,330.27

NOTE.—For additional information see published report of the Commissioner of Internal Revenue for the year ended June 30, 1944.

1 Federal tax receipts in the various States do not indicate the tax burden of the respective States, since the taxes may be eventually borne by persons in other States.

2 Includes income taxes withheld on salaries and wages.

3 Excludes certain trust fund receipts, see note 5.

4 Includes (on warrant basis) \$286,871,176.22 from excise tax on imported distilled spirits and \$4,027,490.19 from excise tax on imported wines; also includes \$130,043,231.69 from the sale of motor vehicle use stamps and \$8,890,565.57 from the sale of documentary stamps deposited by postmasters.

\* Excludes collections for credit to trust accounts as follows:

Tax on Philippine manufactured products (act of Aug. 5, 1909).....	\$4,908.08
Tax on Philippine coconut oil (sec. 602½, act of 1934).....	1,517,741.02
Tax on Puerto Rico manufactured products (act of March 2, 1917).....	725,575.68
Tax on American Samoa coconut oil (sec. 561, Revenue Act of 1941).....	2,167.20

Total Internal revenue collections reported for credit to trust funds. 2,250,392.95

† This adjustment is due principally to withheld taxes deposited in the Treasury, but not yet included in reports of collections of the Bureau of Internal Revenue.

TABLE 10.—*Summary of customs collections and expenditures, fiscal year 1944*  
 [On basis of accounts of the Bureau of Customs]

Collections <sup>1</sup>	Amount	Appropriations and expenditures	Amount
Customs receipts:		Appropriation "Collecting the revenue from customs":	
Duties on imports.....	\$431,310,620	Regular.....	\$21,519,935
Miscellaneous receipts (fines, penalties, etc.).....	2,948,418	First supplemental (approved December 23, 1943).....	250,000
		First deficiency (approved April 1, 1944).....	3,420,000
Total.....	434,259,038	Total.....	\$25,189,935
Collections for other departments, bureaus, etc.:		Expenditures—obligations incurred by:	
Federal Security Agency.....	\$336,310	Collector of customs.....	17,884,530
Department of Justice.....	484,254	Appraisers of merchandise.....	2,652,666
Internal revenue taxes.....	2,019,928	Chief chemists.....	441,342
State of publications.....	32,395	Comptroller of customs.....	775,042
Navy Department.....	98,784	Agency service (investigation and patrol).....	2,458,157
War Department.....	4,347	Administrative.....	832,215
Federal Communications.....	3,862		25,044,572
Department of Interior.....	277		
Executive office.....	12,121	Balance of appropriation.....	145,363
			19,000,000
Total collections.....	727,251,316	Appropriation "Refunds and drawbacks":	
		Expenditures for refunds, drawbacks, and minor payments of a similar nature.....	14,451,479
		Balance of appropriation.....	4,548,521

<sup>1</sup> Excludes duties and sale of insular property for Puerto Rico, but includes other Puerto Rican collections.

TABLE 11.—Expenditures by organizations and by fiscal years from April 8, 1935, through June 30, 1944, under the Emergency Relief Appropriation Acts for the fiscal years 1935 through 1943

[On basis of checks issued, see p. 520]

Organization	Fiscal years 1935 through 1938 <sup>1</sup>	Fiscal year 1939	Fiscal year 1940	Fiscal year 1941	Fiscal year 1942	Fiscal year 1943	Fiscal year 1944	Total through June 30, 1944
<b>LEGISLATIVE ESTABLISHMENT</b>								
Architect of the Capitol.....	\$326,005	\$38,692						\$364,697
Library of Congress.....	705,335	135,000	\$115,462	\$109,422	\$60,514	\$2,439		1,128,232
<b>EXECUTIVE OFFICE</b>								
Executive Office of the President:								
Bureau of the Budget.....			3,894					3,894
National Resources Planning Board.....	2,382,538	682,934	813,306	117,482	5,076			4,001,336
Office of War Information.....								
Office of Government Reports.....	3,322,931	804,893	775,304	729,489	41,118	32		5,673,767
War Manpower Commission:								
National Youth Administration <sup>2</sup> .....						9,001	\$395	9,395
Total Executive Office of the President.....	5,705,469	1,487,827	1,592,504	846,971	46,194	9,570	395	9,678,790
<b>EXECUTIVE DEPARTMENTS</b>								
Agriculture:								
Exclusive of Farm Security Administration.....	160,279,611	28,040,118	19,769,635	12,608,438	3,573,325	180,516	566	224,452,209
Farm Security Administration.....	519,186,648	180,557,282	156,586,179	57,101,059	6,470,578	9,589		919,901,157
Total Department of Agriculture.....	679,466,259	208,597,400	176,355,814	69,709,497	10,043,903	179,927	566	1,144,353,366
Commerce.....	11,837,525	301,285	316,095	242,616	446,112	30,435	28,042	13,202,110
Interior:								
Exclusive of Puerto Rico Reconstruction Administration.....	89,458,454	26,775,439	9,960,605	7,200,477	1,199,523	9,595	23,447	134,581,350
Puerto Rico Reconstruction Administration.....	40,300,852	13,722,842	9,116,837	4,688,329	605,572	53,633	9,499,380	67,921,419
Total Department of the Interior.....	129,759,306	40,498,281	19,077,442	11,888,806	1,805,095	90,228	9,435,933	202,502,769
Justice.....	2,990,504	920,821	84,364	15,855	10			4,011,554
Labor.....	2,474,521	877,817	1,843,609	1,730,367	332,288	6,324	8,272	7,273,198
Navy.....	46,359,492	15,199,564	10,136,168	10,361,749	1,772,425	26,188	778	83,873,364
State.....	152,264							152,264
Treasury.....	\$2,305,955	19,546,893	13,953,875	10,757,598	6,123,946	1,969,806	251,756	134,909,829

Footnotes at end of table.

TABLE 11.—Expenditures by organizations and by fiscal years from April 8, 1935, through June 30, 1944, under the Emergency Relief Appropriation Acts for the fiscal years 1935 through 1943—Continued

Organization	Fiscal years 1935 through 1938 <sup>1</sup>	Fiscal year 1939	Fiscal year 1940	Fiscal year 1941	Fiscal year 1942	Fiscal year 1943	Fiscal year 1944	Total through June 30, 1944
EXECUTIVE DEPARTMENTS—Continued								
War:								
Exclusive of Corps of Engineers.....	\$54,127,819	\$26,409,136	\$17,316,903	\$10,948,099	\$1,026,758	\$29,098	\$1,001	\$109,558,814
Corps of Engineers (rivers and harbors, etc.).....	154,697,273	7,840,665	1,069,063	415,395	6,290			164,028,686
Total War Department.....	208,825,092	34,249,801	18,385,966	11,363,494	1,033,048	29,098	1,001	273,587,500
INDEPENDENT ESTABLISHMENTS								
Advisory Committee on Allotments.....	17,127							17,127
Alecy Dwelling Authority.....	365,497							365,497
Census of Partial Employment, Unemployment and Occu- pations.....	1,777,260	85,088	4,644					1,866,992
Civil Service Commission.....	119,530							119,530
Coordinator for Industrial Cooperation.....	174,374			65				174,439
Employees' Compensation Commission.....	13,172,438	8,339,349	8,988,309	7,758,096	5,398,479	400,641	6,354	44,083,066
Federal Emergency Relief Administration.....	984,180,692	• 10,179	• 3,804	501	• 188			934,167,022
Federal Security Agency:								
Civilian Conservation Corps.....	592,512,328	118,354	• 8,850	557	1,205	• 16	268	592,623,846
National Youth Administration <sup>2</sup> .....	152,310,901	75,146,908	97,078,231	4,969,185	10,341			329,515,566
Office of Education.....	2,546,788	576,949	221,060	221,060	12,210			3,854,207
Public Health Service.....	10,412,864	1,369,278	507,584	207,079	60,253	12,392		12,569,450
St. Elizabeths Hospital.....	9,396							9,396
Social Security Board.....	30,704,737	1,241,405	52,157	24,303	• 7			32,022,565
Total Federal Security Agency.....	788,497,024	78,452,894	98,126,372	5,422,184	84,002	12,376	268	970,595,120
Federal Works Agency:								
Office of Administrator.....	744,140	14,051	88				678	758,279
Public Buildings Administration.....	448,242,686	30,142,064	12,356,153	6,585,629	3,256,091	1,487,755	521,395	502,591,803
Public Roads Administration.....	367,721,288	13,208,092	5,932,137	3,433,855	1,932,803	3,351,333		395,639,308
Public Works Administration <sup>3</sup> .....	4,531,419,346	2,157,201,118	1,461,791,706	1,284,780,454	879,229,595	282,781,330	3,970,579	10,601,174,145
Work Projects Administration <sup>4</sup> .....								
Total Federal Works Agency.....	5,345,127,460	2,200,625,325	1,450,080,084	1,294,799,938	884,418,489	287,620,408	4,492,653	11,500,164,417

Footnotes at end of table.



General Accounting Office.....	10,910,852	4,319,857	5,129,109	5,539,219	1,455,914	637,342	11,171	28,003,464
National Housing Agency.....	16,255,077	3,515,713	180,497	6,875	6	-----	-----	19,958,168
Prison Industries Reorganization Administration.....	340,519	5,702	11	-----	-----	-----	-----	346,232
Veterans' Administration.....	1,468,250	767,668	906,977	740,233	356,478	33,202	110	4,272,918
Total expenditures.....	18,286,313,827	2,617,974,768	1,835,290,498	1,431,293,486	913,376,715	290,857,510	4,365,431	15,379,472,235

NOTE.—Represents final expenditures under the Emergency Relief Appropriation Acts for the fiscal years 1935 through 1943 (see annual report for 1943, p. 198).

• Excess of credits (deduct).

<sup>1</sup> Includes \$25,848,046 for 1935 (Apr. 8 to June 30, 1935), \$2,898,716,470 for 1936, \$2,860,508,932 for 1937, and \$2,001,240,379 for 1938.

<sup>2</sup> Pursuant to Executive Order No. 9247, dated Sept. 17, 1942, National Youth Administration was transferred to Executive Office, Office for Emergency Management, War Manpower Commission.

<sup>3</sup> Administrative expenses for National Youth Administration under the Emergency Relief Appropriation Acts of 1935, 1936, 1937, and 1938 are included in amounts shown for Work Projects Administration.

<sup>4</sup> Pursuant to Executive Order No. 9357, dated June 30, 1943, all functions, powers, and duties of the Public Works Administration were transferred to the Office of the Federal Works Administrator.

<sup>5</sup> Does not include transfers to other Federal agencies.

TABLE 12.—Receipts and expenditures of the social security program under the Social Security, Railroad Retirement, and Railroad Unemployment Insurance Acts, fiscal years 1936 through 1942 combined, fiscal year 1943, and monthly for the fiscal year 1944

[On basis of daily Treasury statements, see p. 519]

	Fiscal years 1936 through 1942	Fiscal year 1943	Fiscal year 1944					
			July 1943	August 1943	September 1943	October 1943	November 1943	December 1943
RECEIPTS								
Social security taxes:								
Employment taxes 1:	\$3,429,977,410.30	\$1,130,495,200.70	\$43,584,112.52	\$285,625,243.12	\$3,017,894.22	\$41,542,483.71	\$273,586,749.22	\$3,670,990.36
Tax on employers of 8 or more (employment taxes) 2 3:	573,867,536.80	158,360,527.25	3,225,769.52	8,051,282.60	1,063,449.46	3,031,359.16	10,478,393.64	1,145,242.51
Total social security taxes:	4,003,844,947.10	1,288,855,727.95	46,809,882.04	294,676,525.72	4,081,343.68	44,573,842.87	284,065,142.86	4,816,232.87
Railroad Retirement Act:								
Taxes upon carriers and their employees (employment taxes) 1:	687,654,306.12	208,794,892.19	1,118,999.47	15,026,994.69	46,175,237.82	1,091,396.12	8,206,193.74	52,914,126.66
Railroad Unemployment Insurance Act:								
Railroad unemployment insurance contributions 3 4:	20,204,970.40	10,268,593.90	6,639.69	131,423.37	2,486,319.91	135,211.91	151,549.84	2,706,841.26
Total receipts:	4,711,704,223.62	1,507,919,214.04	47,935,521.20	309,834,943.78	52,742,901.41	45,800,450.90	292,422,886.44	60,437,200.79
Deduct net appropriations and transfers to Federal old-age and survivors insurance trust fund:	3,222,865,669.24	1,103,002,793.30	40,761,458.82	283,802,589.42	195,240.53	38,922,998.36	270,967,263.87	1,051,506.00
Net receipts:	1,488,838,554.38	404,916,420.74	7,174,062.38	26,032,354.36	52,547,660.88	6,877,452.54	21,455,622.57	59,385,694.79

	Fiscal year 1944						Total fiscal year 1944	Grand total fiscal years 1936 through 1944
	January 1944	February 1944	March 1944	April 1944	May 1944	June 1944		
<b>RECEIPTS</b>								
Social security taxes:								
Employment taxes <sup>1</sup>	\$33,848,617.93	\$252,219,021.69	\$4,403,625.28	\$35,135,736.85	\$309,381,007.09	\$5,106,951.68	\$1,292,122,433.67	\$5,852,595,044.67
Tax on employers of 8 or more (employ- ment taxes) <sup>2</sup> 3	14,221,590.25	116,528,569.63	3,559,367.19	3,265,164.31	14,250,357.85	1,088,846.40	179,909,392.52	912,137,456.57
Total social security taxes.....	48,070,208.18	368,747,591.32	7,962,992.47	38,400,901.16	323,631,364.94	6,195,798.08	1,472,031,826.19	6,764,732,501.24
Railroad Retirement Act:								
Taxes upon carriers and their employ- ees (employment taxes) <sup>1</sup> 4	1,231,228.79	4,054,811.15	58,580,985.92	353,840.19	13,433,733.13	64,877,044.92	267,064,592.60	1,163,513,790.91
Railroad Unemployment Insurance Act:								
Railroad unemployment insurance contributions <sup>4</sup>	14,239.27	75,113.78	2,847,794.57	7,176.10	97,478.23	3,483,216.60	12,143,004.53	42,616,568.83
Total receipts.....	49,315,676.24	372,877,516.25	69,391,772.96	38,761,917.45	337,162,576.30	74,556,059.60	1,751,239,423.32	7,970,862,860.98
Deduct net appropriations and transfers to Federal old-age and survivors insurance trust fund.....	31,846,123.56	290,216,527.32	2,401,130.91	31,711,245.36	305,956,515.60	1,682,460.18	1,259,515,059.93	5,585,383,522.47
Net receipts.....	17,469,552.68	122,660,988.93	66,990,642.05	7,050,672.09	31,206,060.70	72,873,599.42	491,724,363.39	2,385,479,338.51

<sup>1</sup> Relates to old-age insurance benefits.<sup>2</sup> Second Deficiency Appropriation Act, fiscal year 1938, approved June 25, 1938, carried an appropriation of \$40,561,886.43 pursuant to authorization of Aug. 24, 1937, for making refund to certain States of portions of Federal employers' tax for 1936 collected under the Social Security Act. Also the Railroad Unemployment Insurance Act, approved June 25, 1938, appropriated to the railroad unemployment insurance administration fund amounts collected or to be collectible with respect to the calendar years 1936, 1937, 1938, and 1939, from carriers subject to the act, under sec. 901 of the Social Security Act.<sup>3</sup> Relates to unemployment insurance benefits.<sup>4</sup> These contributions represent 10 percent of amounts collected under sec. 8 of the Railroad Unemployment Insurance Act, which in addition to other collections referred to in footnote 2, are appropriated to the railroad unemployment insurance administration fund for the administrative expenses of the Railroad Retirement Board in administering the act.



	Fiscal year 1944						Total fiscal year 1944	Grand total fiscal years 1936 through 1944
	January 1944	February 1944	March 1944	April 1944	May 1944	June 1944		
EXPENDITURES								
Administrative expenses:								
Social Security Act:								
Federal Security Agency:								
Social Security Board (Title VII) <sup>5</sup> 6	\$1,527,962.08	\$2,050,889.79	\$2,113,465.90	\$1,995,331.52	\$2,225,770.21	\$2,151,251.30	\$24,121,872.55	\$178,737,839.55
Department of Commerce (Title VII) <sup>6</sup>	18,996.24	18,376.79	16,956.42	11,728.25	15,102.47	7,930.36	232,671.35	1,223,631.83
Department of Labor (Title V (5)) <sup>6</sup>	36,591.48	32,381.94	32,547.13	30,550.81	33,815.18	34,255.05	414,227.04	2,860,757.27
Treasury Department <sup>7</sup>	614,832.70	614,832.70	614,832.71	624,732.16	624,732.16	624,732.16	7,291,769.74	28,483,879.01
Total, Social Security Act	2,198,382.50	2,716,481.22	2,777,802.16	2,662,342.74	2,899,420.02	2,818,168.87	32,060,540.68	211,306,107.66
Railroad Retirement Act: <sup>8</sup>								
Railroad Retirement Board:								
Acquisition of service and compensation data								
Other	1.00	.50	129.00	8.00	a .50	30.00	381,880.50	8,675,973.00
Railroad Unemployment Insurance Act:	117,586.50	111,668.89	175,904.38	163,979.32	213,500.87	180,612.40	2,129,451.30	20,562,616.52
Railroad Retirement Board:								
Railroad unemployment insurance administration fund <sup>3</sup>	338,443.84	338,711.56	281,407.11	284,379.50	263,695.49	303,350.84	3,184,673.09	16,743,009.71
Total administrative expenses	2,654,413.84	3,166,862.17	3,235,242.65	3,110,693.56	3,376,615.88	3,302,162.11	37,756,545.57	257,287,706.89

<sup>a</sup> Excess of credits (deduct).<sup>3</sup> Relates to unemployment insurance benefits.<sup>5</sup> Includes amounts for administrative expenses reimbursed to the General Fund of the Treasury under sec. 201 (f) of the Social Security Act, as amended, and, beginning July 1, 1940, also includes expenses for administration of the Wagner-Peyser Act.<sup>6</sup> Represents expenditures from appropriations made specifically for administrative expenses relating to the Social Security and Railroad Retirement Acts. Does not include administrative expenses payable from other appropriations.<sup>7</sup> Beginning Jan. 1, 1940, expenditures include estimated amounts for expenses of the Treasury Department (for which reimbursement was made to the General Fund) in connection with the Federal old-age and survivors insurance trust fund and collection of employment taxes under the provisions of sec. 201 (f) of the Social Security Act, as amended. Provision for such expenditures is made in the regular annual appropriations of the Treasury Department.<sup>8</sup> See explanation in footnotes 2 and 4, p. 577.

TABLE 12.—Receipts and expenditures of the social security program under the Social Security, Railroad Retirement, and Railroad Unemployment Insurance Acts, fiscal years 1936 through 1942 combined, fiscal year 1943, and monthly for the fiscal year 1944—Continued

	Fiscal years 1936 through 1942	Fiscal year 1943	Fiscal year 1944				
			July 1943	August 1943	September 1943	October 1943	November 1943
EXPENDITURES—Continued							
Grants to States:							
Social Security Act:							
Federal Security Agency:							
Social Security Board:							
Old-age assistance (Title I).....	\$1,322,281,212.80	\$316,938,503.85	\$41,149,204.37	\$32,776,420.37	\$25,288,462.39	\$36,131,485.08	\$29,205,614.12
Aid to dependent children (Title IV).....	250,817,519.82	67,286,590.34	7,094,397.79	6,454,339.28	2,795,687.56	6,114,451.27	5,220,479.31
Aid to the blind (Title X).....	37,344,904.88	8,492,765.58	1,213,103.38	946,807.06	465,291.75	1,010,297.10	1,159,026.28
Unemployment compensation administration (Title III) <sup>3</sup> .....	302,405,354.98	55,134,170.93	8,606,374.81	7,001,871.40	15,315.49	7,524,642.41	647,535.75
Total, Social Security Board.....	1,912,848,992.48	447,852,030.70	53,063,080.35	47,182,438.11	28,564,757.19	50,780,875.86	36,232,655.46
Public Health Service:							
Public health work (Title VI, sec. 601).....	58,704,680.97	10,656,655.69	2,202,674.00	1,068,230.60	43,644.00	1,980,208.00	443,775.00
Total, Federal Security Agency.....	1,971,553,673.45	458,508,686.39	55,265,754.35	48,250,608.11	28,608,401.19	52,761,083.86	36,676,430.46
Executive Office:							
Office for Emergency Management:							
War Relocation Commission (U. S. Employment Service) <sup>10</sup> .....		20,687,646.84	1,036,285.11	161,966.22	55,074.55	32,065.28	22,106.46
Department of Labor:							8,988.05
Maternal and child health services (Title V (1)) <sup>11</sup> .....	27,882,080.91	6,519,026.03	343,582.04	705,804.93	609,288.35	522,024.23	887,291.57
Services for crippled children (Title V (2)).....	19,690,099.43	3,818,270.30	74,437.81	443,481.26	392,456.91	243,353.22	515,302.54
Child welfare services (Title V (3)).....	8,659,064.64	1,569,663.98	37,858.98	283,690.48	15,314.63	159,845.87	180,122.90
Total, Department of Labor.....	56,231,244.98	11,906,960.31	455,878.83	1,432,976.67	1,017,059.89	925,223.32	1,582,717.01
Total, grants to States.....	2,027,784,918.43	491,103,233.54	56,751,918.29	49,845,611.00	29,680,535.63	53,718,372.46	38,281,253.93
							21,020,139.34
							8,988.05
							120,399.67
							56,027.92
							9,933.57
							186,361.16

	Fiscal year 1944						Total fiscal year 1944	Grand total fiscal years 1936 through 1944
	January 1944	February 1944	March 1944	April 1944	May 1944	June 1944		
Grants to States: Social Security Act: Federal Security Agency: Social Security Board: Old-age assistance (Title D) Aid to dependent children (Title IV) Aid to the blind (Title X) Unemployment compensation administration (Title III) <sup>3</sup>	\$25,242,909.06 6,160,509.41 1,149,198.54 9,738,201.90	\$24,227,026.62 4,650,265.05 648,182.15 21,381.57	\$26,390,323.15 2,978,511.50 682,196.38 1,559,163.61	\$35,553,483.91 5,250,361.69 966,089.91 5,803,703.01	\$31,368,287.39 5,496,209.43 949,409.37 353,427.41	\$25,062,149.70 2,694,523.61 652,844.61 34,640.53	\$360,628,077.67 57,035,692.96 10,344,422.18 36,313,494.00	\$1,999,847,794.32 375,139,803.12 56,182,092.64 393,853,019.91
Total, Social Security Board: Public Health Service: Public health work (Title VI, sec. 601)	52,290,908.91 2,180,040.00	29,546,855.39 108,183.00	31,610,194.84 265,541.00	47,613,738.52 2,239,715.25	38,167,333.60 184,933.58	28,444,138.45 80,319.00	464,321,686.81 10,857,282.83	2,825,022,709.99 80,218,619.49
Total, Federal Security Agency	54,470,948.91	29,715,038.39	31,875,735.84	49,853,353.77	38,352,287.18	28,524,477.45	475,178,969.64	2,905,241,329.48
Executive Office: Office for Emergency Management: War Relocation Commission (U. S. Employment Service) <sup>10</sup>	• 2,428.08	11,922.82	16,334.29	2,001.16	3,165.92	• 2,535.62	1,338,946.16	22,026,593.00
Department of Labor: Maternal and child health services (Title V (1)) <sup>11</sup> Services for crippled children (Title V (2)) Child welfare services (Title V (3))	868,533.28 472,608.01 330,957.69	410,693.94 254,273.01 41,892.55	196,342.76 156,192.63 10,122.44	323,638.01 380,437.94 104,704.55	880,582.38 699,929.62 265,291.86	348,436.46 123,342.11 3,000.46	6,216,617.62 3,811,902.98 1,412,793.38	40,617,724.56 27,320,272.71 11,671,464.00
Total, Department of Labor	1,672,158.38	766,859.50	362,657.83	808,780.50	1,845,803.86	474,839.03	11,471,315.98	79,009,461.27
Total, grants to States	56,140,679.21	30,433,820.71	32,254,727.96	50,664,135.43	40,201,256.96	28,996,780.86	487,989,231.78	3,006,877,383.75

<sup>3</sup> Excess of credits (deduct).<sup>4</sup> Relates to unemployment insurance benefits.<sup>5</sup> Includes expenditures made directly by the Federal Government beginning Jan. 1, 1942, for the maintenance of public employment offices.<sup>10</sup> Formerly included in "Unemployment Compensation Administration (Title 3)" transferred under Executive Order No. 9247.<sup>11</sup> Includes expenditures under First Deficiency Appropriation Act, fiscal year 1943.





	Fiscal year 1944						Total fiscal year 1944	Grand total fiscal years 1936 through 1944
	January 1944	February 1944	March 1944	April 1944	May 1944	June 1944		
<b>EXPENDITURES—Continued</b>								
Refunds of taxes: <sup>12</sup>								
Refunds of social security taxes:								
Federal Insurance Contributions Act <sup>1</sup> .....	\$241,590.89	\$91,804.92	\$178,899.97	\$136,793.92	\$260,143.28	\$221,325.54	\$1,969,194.12	\$6,239,839.37
Federal Unemployment Tax Act: <sup>3</sup>								
Refunds to States <sup>2</sup> .....	260,382.89	124,232.24	153,463.15	110,948.55	203,587.53	269,843.13	2,205,446.97	40,561,886.43
Refunds to others.....	260,382.89	124,232.24	153,463.15	110,948.55	203,587.53	269,843.13	2,205,446.97	11,311,459.65
Total tax on employers of 8 or more.....								52,073,346.08
Total refunds of social security taxes.....	501,973.78	216,037.16	332,273.12	247,742.47	463,730.81	491,168.67	4,174,641.09	58,313,185.45
Refunds of taxes upon carriers and their employees <sup>1</sup> .....	9.49	196.77	5,363.00	65.80	24.76	119.24	50,793.83	390,053.94
Total refunds of taxes.....	501,983.27	216,233.93	337,636.12	247,808.27	463,755.57	491,287.91	4,225,436.92	1,58,703,239.39
Transfers to trust accounts:								
Railroad retirement account <sup>1</sup> .....	34,000,000.00			34,500,000.00			262,720,000.00	1,116,871,000.00
Railroad unemployment insurance administration fund transfers to unemployment trust fund (act of Oct. 10, 1940).....							11,699,700.00	29,082,607.00
Railroad unemployment insurance account: <sup>3</sup>								15,000,000.00
Advance (act of June 25, 1938).....								15,000,000.00
Repayment of advance.....								
Total transfers to trust accounts.....	34,000,000.00			34,500,000.00			274,419,700.00	1,145,953,607.00
Total expenditures.....	93,297,076.32	33,816,916.81	35,827,606.73	88,522,637.26	44,041,628.41	32,790,230.88	804,390,914.27	4,468,821,907.03

NOTE.—For statements of receipts, expenditures, and assets in railroad retirement account, unemployment trust fund, and Federal old-age and survivors insurance trust fund, see tables 77, 78, and 79 on pp. 743 to 747.

<sup>1</sup> Excess of credits (deduct).

<sup>2</sup> Relates to old-age insurance benefits.

<sup>3</sup> Second Deficiency Appropriation Act, fiscal year 1938, approved June 25, 1938, carried an appropriation of \$40,761,886.43 pursuant to authorization of Aug. 24, 1937, for making refund to certain States of portions of Federal employers' tax for 1936 collected under the Social Security Act. Also the Railroad Unemployment Insurance Act, approved June 25, 1938, appropriated to the railroad unemployment insurance administration fund amounts collected or to be collectible with respect to the calendar years 1936, 1937, 1938, and 1939, from carriers subject to the act, under sec. 901 of the Social Security Act.

<sup>4</sup> Relates to unemployment insurance benefits.

<sup>5</sup> These classifications were effective with the month of January 1940; figures for periods prior thereto are shown on the basis of checks issued as reported by the Bureau of Internal Revenue.

<sup>6</sup> Includes interest on refunds as follows: Social security taxes—Federal Insurance Contributions Act, \$331,149.93; and Federal Unemployment Tax Act (refunds to others), \$385,755.99; refunds of taxes upon carriers and their employees, \$15,592.93.

TABLE 13.—*Amounts appropriated and expended under authorizations contained in the Social Security Act, as amended*

Classification	Appropriations <sup>1</sup>		Expenditures <sup>2</sup>	
	From July 12, 1943, through June 30, 1944	From Aug. 14, 1935, through June 30, 1944	During fiscal year 1944	From Aug. 14, 1935, through June 30, 1944
For administrative expenses:				
Social Security Board <sup>3</sup> .....	\$23, 126, 400.00	\$219, 892, 560.00	\$24, 121, 872.55	\$178, 737, 839.55
Department of Commerce <sup>3</sup> .....	165, 000.00	1, 544, 860.00	232, 671.35	1, 223, 631.83
Department of Labor <sup>3</sup> .....	491, 600.00	3, 368, 227.00	414, 227.04	2, 860, 757.27
Treasury Department <sup>4</sup> .....			7, 291, 769.74	28, 483, 879.01
Total, administrative expenses .....	26, 783, 000.00	224, 805, 647.00	32, 060, 540.68	211, 306, 107.66
For grants to States:				
Federal Security Agency:				
Social Security Board:				
For old-age assistance <sup>5</sup> .....	350, 350, 000.00	2, 248, 010, 000.00	360, 628, 077.67	1, 999, 847, 794.32
For unemployment compensation administration .....	29, 000, 000.00	<sup>6</sup> 430, 882, 526.00	36, 313, 494.00	393, 853, 019.91
For aid to dependent children <sup>5</sup> .....	55, 000, 000.00	531, 600, 000.00	57, 035, 692.96	375, 139, 803.12
For aid to the blind <sup>5</sup> .....	9, 600, 000.00	82, 310, 000.00	10, 344, 422.18	56, 182, 092.64
Total, Social Security Board .....	443, 950, 000.00	3, 292, 802, 526.00	464, 321, 686.81	2, 825, 022, 709.99
Public Health Service:				
For public health work .....	11, 000, 000.00	91, 833, 000.00	10, 857, 282.83	80, 218, 619.49
Office of Education:				
For vocational rehabilitation of persons disabled in industry <sup>7</sup> .....				
Total, Federal Security Agency .....	454, 950, 000.00	3, 384, 635, 526.00	475, 178, 969.64	2, 905, 241, 329.48
Executive Office:				
Office for Emergency Management:				
War Manpower Commission (U. S. Employment Service) <sup>8</sup> .....		<sup>6</sup> 24, 643, 974.00	1, 338, 946.16	22, 026, 593.00
Department of Labor:				
For maternal and child health services <sup>9</sup> .....	5, 820, 000.00	47, 904, 000.00	6, 216, 617.62	40, 617, 724.56
For services for crippled children .....	3, 870, 000.00	32, 436, 000.00	3, 811, 902.98	27, 320, 272.71
For child welfare services .....	1, 510, 000.00	14, 056, 000.00	1, 442, 795.38	11, 671, 464.00
Total, Department of Labor .....	11, 200, 000.00	94, 396, 000.00	11, 471, 315.98	79, 609, 461.27
Total, grants to States .....	466, 150, 000.00	3, 503, 675, 500.00	487, 989, 231.78	3, 006, 877, 383.75
For other purposes:				
Federal Security Agency:				
Public Health Service:				
For disease and sanitation investigation <sup>7</sup> .....				
Treasury Department:				
For Federal old-age and survivors insurance trust fund <sup>10</sup> .....	1, 259, 515, 059.93	5, 585, 383, 522.47	1, 259, 515, 059.93	5, 585, 383, 522.47
Grand total .....	1, 752, 448, 059.93	9, 313, 864, 669.47	1, 779, 564, 832.39	8, 803, 567, 013.88

NOTE.—For statements of receipts, expenditures, and assets in the railroad retirement account, Federal old-age and survivors insurance trust fund, and unemployment trust fund see tables 77, 78, and 79 on pp. 743 to 747.

<sup>1</sup> Includes appropriations for the fiscal year 1945 except in the case of the Federal old-age and survivors insurance trust fund. See footnote 10.

<sup>2</sup> On basis of daily Treasury statements, see p. 519.

<sup>3</sup> Includes only expenditures from appropriations made specifically for administrative expenses relating to the Social Security Act.

<sup>4</sup> Beginning Jan. 1, 1940, expenditures include estimated amounts for expenses of the Treasury Department (for which reimbursement was made to the General Fund) in connection with the Federal old-age and survivors insurance trust fund and collection of employment taxes under the provisions of sec. 201 (f) of the Social Security Act as amended. Provision for such expenditures is made in the regular annual appropriations of the Treasury Department.

<sup>5</sup> The Labor-Federal Security Agency Appropriation Act for 1945, approved June 28, 1944, provided funds for these activities under one appropriation, "Grants to States for old-age assistance, aid to dependent children and aid to the blind."

<sup>6</sup> \$23,845,474 transferred from Social Security Board, "Grants to States" for unemployment compensation administration, to War Manpower Commission (U. S. Employment Service) under Executive Order No. 9247.

<sup>7</sup> Funds authorized to be appropriated under the Social Security Act augment existing appropriations, and expenditures are not separately available.

<sup>8</sup> Formerly included in "Unemployment Compensation Administration (title 3)", transferred under Executive Order No. 9247.

<sup>9</sup> Includes \$1,200,000 appropriated and expended under First Deficiency Appropriation Act, 1943, approved March 18, 1943.

<sup>10</sup> Sec. 201 (a) of the Social Security Act Amendments of 1939 provides that after June 30, 1940, amounts equivalent to 100 per centum of the taxes (including interest, penalties, and additions to the taxes), received under the Federal Insurance Contributions Act and covered into the Treasury, shall be appropriated to the Federal old-age and survivors insurance trust fund for the fiscal year 1941 and for each fiscal year thereafter. The amounts shown in this table, which are through June 30, 1944, are net of the reimbursement for administrative expenses under sec. 201 (f) of the Social Security Act Amendments of 1939, from March 1940 to June 30, 1944, in the aggregate amount of \$32,607,373.94 and \$125,993,679.00, respectively.

TABLE 14.—Panama Canal receipts and expenditures, fiscal years 1903 through 1944

[On basis of warrants issued, see p. 519]

Year	Receipts covered into the Treasury			Expenditures			
	Tolls	Other <sup>1</sup>	Total	Construction, maintenance, and operation <sup>2</sup>	Fortifications <sup>3</sup>	Total general expenditures	Interest paid on Panama Canal loans
1903				\$9,955.00		\$9,955.00	
1904		\$271,253.06	\$271,253.06	\$50,164,500.00		\$50,164,500.00	
1905		380,680.10	380,680.10	3,918,819.83		3,918,819.83	
1906		1,178,949.85	1,178,949.85	19,379,373.71		19,379,373.71	
1907		1,083,761.49	1,083,761.49	27,198,618.71		27,198,618.71	
1908		705,402.42	705,402.42	38,093,929.04		38,093,929.04	
1909		3,214,389.48	3,214,389.48	33,911,673.37		33,911,673.37	\$785,268.00
1910		1,757,284.44	1,757,284.44	33,911,673.37		33,911,673.37	1,310,076.58
1911		2,982,823.92	2,982,823.92	34,285,276.50		34,285,276.50	1,692,166.40
1912		4,070,231.27	4,070,231.27	40,167,866.71		40,167,866.71	1,691,107.20
1913		698,647.87	698,647.87	31,702,359.61		31,702,359.61	3,000,669.60
1914		308,155.98	308,155.98	24,677,107.29		24,677,107.29	3,201,055.81
1915	\$3,822,085.29	389,447.53	4,211,532.82	14,888,194.78		14,888,194.78	3,194,105.95
1916	2,480,547.75	404,062.14	2,884,609.89	16,199,292.47		16,199,292.47	3,199,385.05
1917	5,746,606.45	320,007.73	6,066,614.18	13,549,762.56		13,549,762.56	3,103,250.67
1918	6,094,562.52	358,340.99	6,452,903.51	10,954,409.74		10,954,409.74	2,976,476.55
1919	6,418,705.56	545,210.96	6,963,916.52	6,281,463.72		6,281,463.72	2,984,888.33
1920	8,493,459.99	603,762.70	9,097,222.69	16,480,390.79		16,480,390.79	3,010,872.86
1921	11,310,598.62	849,898.73	12,160,497.35	3,041,035.40		3,041,035.40	2,904,776.66
1922	17,229,808.14	640,177.11	17,869,985.25	3,041,035.40		3,041,035.40	2,904,776.66
1923	24,513,221.42	2,611,991.01	27,125,212.43	3,807,362.85		3,807,362.85	2,997,404.81
1924	21,309,629.30	1,504,103.05	22,813,732.35	4,820,692.37		4,820,692.37	2,997,404.81
1925	22,920,438.06	1,371,424.81	24,291,862.87	7,785,675.34		7,785,675.34	2,989,918.80
1926	24,238,721.37	1,654,930.35	25,893,651.72	8,663,353.57		8,663,353.57	2,989,918.80
1927	26,962,927.37	1,881,418.05	28,844,345.42	8,863,376.03		8,863,376.03	2,989,918.80
1928	27,126,563.42	1,815,079.61	28,941,643.03	10,909,422.27		10,909,422.27	2,989,918.80
1929	24,671,943.01	1,862,644.73	26,534,587.74	10,220,913.25		10,220,913.25	2,989,918.80
1930	20,775,097.39	1,673,814.18	22,448,911.57	10,303,755.15		10,303,755.15	2,989,918.80
1931				10,904,319.70		10,904,319.70	2,989,918.80
1932							
1933							
1934							
1935							
1936							
1937							
1938							
1939							
1940							
1941							
1942							
1943							
1944							

<sup>1</sup> Excess of credits (deduct).

<sup>2</sup> Beginning with the fiscal year 1924, the amounts in this column include the sums received as dividends on capital stock of the Panama Railroad owned by the United States, during the fiscal year 1913, and similar payments continuing each year since that date until 1940, when the amount was increased to \$430,000 per annum, and also includes to the Government of Colombia growing out of the construction of the Panama Canal of \$5,000,000 per annum pursuant to the treaty of Mar. 2, 1916; but do not include the payment to the Government of Colombia growing out of the construction of the Panama Canal of \$5,000,000 per annum during the fiscal years 1923 to 1927, inclusive, an aggregate sum of \$25,000,000 as provided for under the treaty of Apr. 6, 1914. Includes expenses of civil government, Panama Canal and Canal Zone.

<sup>3</sup> Includes expenditures made from specific appropriations for fortifications of the canal but no expenditures from general appropriations that may have been for this purpose.

<sup>4</sup> This amount includes the \$40,000,000 paid to the New Panama Canal Company of France for the acquisition of the property, and the \$10,000,000 paid to the Republic of Panama in connection with the Canal Zone as provided for under art. 14 of the treaty of November 18, 1903.

TABLE 14.—Panama Canal receipts and expenditures, fiscal years 1903 through 1944—Continued

Year	Receipts covered into the Treasury			Expenditures			
	Tolls	Other <sup>1</sup>	Total	Construction, maintenance, and operation <sup>2</sup>	Fortifications <sup>3</sup>	Total general expenditures	Interest paid on Panama Canal loans
1933.....	\$19,464,173.04	\$3,719,531.36	\$23,183,754.40	\$11,730,139.21	\$614,916.00	\$12,395,055.21	\$2,960,049.75
1934.....	24,133,201.01	3,032,129.61	27,167,390.62	10,709,294.89	396,310.58	11,105,605.47	2,992,453.55
1935.....	23,297,587.74	1,818,944.19	24,816,531.93	10,233,789.97	294,413.20	10,528,203.17	2,986,151.55
1936.....	23,452,083.87	2,614,362.24	25,966,386.11	11,258,334.90	478,916.22	11,737,251.12	1,863,500.40
1937.....	23,231,115.36	2,170,148.65	25,401,264.01	11,879,521.47	791,939.98	12,671,461.45	1,516,514.50
1938.....	23,220,589.25	1,721,654.17	24,942,253.42	11,416,094.37	1,311,830.33	12,727,924.70	1,502,876.10
1939.....	23,690,683.82	1,297,920.25	24,988,604.07	12,737,752.67	1,742,368.04	14,480,120.71	1,491,369.00
1940.....	21,127,270.18	1,314,750.63	22,442,020.81	28,705,521.08	2,862,576.01	31,568,097.09	1,511,758.20
1941.....	18,273,099.08	2,267,090.87	20,540,099.95	44,190,365.22	5,294,885.64	49,485,250.86	1,495,333.60
1942.....	9,765,364.76	2,362,548.24	12,127,913.00	67,508,420.54	4,535,557.14	72,043,977.68	1,436,234.00
1943.....	6,863,387.24	1,715,428.32	8,578,815.56	58,277,629.48	820,703.11	59,098,332.59	1,363,600.75
1944.....	5,922,967.70	2,479,061.01	8,402,028.71	19,574,310.85	a 641,793.35	18,932,517.50	1,620,018.75
Total.....	514,923,965.52	63,158,521.17	578,082,486.69	839,565,351.37	59,948,467.67	899,513,819.04	92,100,269.13

Footnotes on preceding page.

TABLE 15.—*Postal receipts and expenditures, fiscal years 1789 through 1944* <sup>1</sup>

Year	As reported by the Post Office Department			Treasury accounts	
	Postal revenues	Postal expenditures <sup>2</sup>		Surplus revenue paid into Treasury <sup>4</sup>	Grants from Treasury to cover postal deficiencies <sup>5</sup>
		Extraordinary expenditures as reported under act of June 9, 1930 <sup>3</sup>	Other		
1789-91.....	\$91, 739	-----	\$76, 397	\$15, 342	-----
1792.....	67, 443	-----	54, 530	12, 913	-----
1793.....	104, 746	-----	72, 039	32, 707	\$11, 021
1794.....	128, 947	-----	89, 972	38, 975	29, 478
1795.....	160, 620	-----	117, 893	42, 727	22, 400
1796.....	195, 066	-----	131, 571	63, 495	72, 910
1797.....	213, 998	-----	150, 114	63, 884	61, 500
1798.....	232, 977	-----	179, 084	53, 893	39, 500
1799.....	264, 846	-----	188, 037	76, 809	41, 000
1800.....	280, 804	-----	213, 994	66, 810	78, 000
1801.....	320, 442	-----	255, 151	65, 291	79, 500
1802.....	327, 044	-----	281, 916	45, 128	35, 000
1803.....	351, 822	-----	322, 364	29, 458	16, 427
1804.....	389, 449	-----	337, 502	51, 947	26, 500
1805.....	421, 373	-----	377, 367	44, 006	21, 343
1806.....	446, 105	-----	417, 233	28, 872	41, 118
1807.....	478, 762	-----	453, 885	24, 877	3, 615
1808.....	460, 564	-----	462, 828	-2, 264	-----
1809.....	506, 633	-----	498, 012	8, 621	-----
1810.....	551, 684	-----	495, 969	55, 715	-----
1811.....	587, 246	-----	499, 098	88, 148	38
1812.....	649, 208	-----	540, 165	109, 043	85, 040
1813.....	703, 154	-----	681, 011	22, 143	35, 000
1814.....	730, 370	-----	727, 126	3, 244	45, 000
1815.....	1, 043, 065	-----	748, 121	294, 944	135, 000
1816.....	961, 782	-----	804, 022	157, 760	149, 788
1817.....	1, 002, 973	-----	916, 515	86, 458	29, 372
1818.....	1, 130, 235	-----	1, 035, 832	94, 403	20, 070
1819.....	1, 204, 737	-----	1, 117, 861	86, 876	71
1820.....	1, 111, 927	-----	1, 160, 926	-48, 999	6, 466
1821.....	1, 059, 087	-----	1, 165, 481	-106, 394	517
1822.....	1, 117, 490	-----	1, 167, 572	-50, 082	602
1823.....	1, 130, 115	-----	1, 156, 995	-26, 880	111
1824.....	1, 197, 758	-----	1, 188, 019	9, 739	-----
1825.....	1, 306, 525	-----	1, 229, 043	77, 482	470
1826.....	1, 447, 703	-----	1, 366, 712	80, 991	300
1827.....	1, 524, 633	-----	1, 469, 959	54, 674	101
1828.....	1, 659, 915	-----	1, 689, 945	-30, 030	20
1829.....	1, 707, 418	-----	1, 782, 132	-74, 714	87
1830.....	1, 850, 583	-----	1, 932, 708	-82, 125	55
1831.....	1, 997, 841	-----	1, 936, 122	61, 689	561
1832.....	2, 258, 570	-----	2, 266, 171	-7, 601	245
1833.....	2, 617, 011	-----	2, 930, 414	-313, 403	-----
1834.....	2, 823, 749	-----	2, 910, 605	-86, 856	100
1835.....	2, 993, 556	-----	2, 757, 350	236, 206	893
1836.....	3, 408, 323	-----	2, 841, 766	566, 557	11
1837.....	4, 101, 763	-----	3, 288, 319	813, 385	-----
1838.....	4, 238, 733	-----	4, 430, 662	-191, 929	-----
1839.....	4, 484, 657	-----	4, 636, 536	-151, 880	-----
1840.....	4, 543, 522	-----	4, 718, 236	-174, 714	-----
1841.....	4, 407, 726	-----	4, 499, 687	-91, 960	\$407, 657
1842.....	4, 546, 850	-----	5, 671, 063	-1, 124, 213	53, 697
1843 <sup>1</sup> .....	4, 296, 225	-----	4, 374, 844	-78, 619	21, 303
1844.....	4, 237, 288	-----	4, 298, 628	-61, 340	-----
1845.....	4, 289, 842	-----	4, 326, 692	-36, 850	-----
1846.....	3, 487, 199	-----	4, 120, 518	-633, 318	810, 232
1847.....	3, 880, 309	-----	4, 081, 128	-200, 819	536, 299

Footnotes at end of table.

TABLE 15.—*Postal receipts and expenditures, fiscal years 1789 through 1944*<sup>1</sup>—Con.

Year	As reported by the Post Office Department				Treasury accounts	
	Postal revenues	Postal expenditures <sup>2</sup>		Surplus or deficit (—)	Surplus revenue paid into Treasury <sup>4</sup>	Grants from Treasury to cover postal deficiencies <sup>5</sup>
		Extraordi- nary expenditures as reported under act of June 9, 1930 <sup>3</sup>	Other			
1848.....	\$4,555,211	-----	\$4,380,460	\$174,751	-----	\$22,222
1849.....	4,705,176	-----	4,477,664	227,513	-----	-----
1850.....	5,499,985	-----	5,213,245	286,740	-----	-----
1851.....	6,410,604	-----	6,278,719	131,895	-----	-----
1852.....	5,184,527	-----	7,107,550	-1,923,023	-----	1,041,444
1853.....	5,240,725	-----	7,983,089	-2,742,365	-----	2,153,750
1854.....	6,255,586	-----	8,608,282	-2,352,700	-----	3,207,346
1855.....	6,642,136	-----	9,968,996	-3,326,856	-----	3,078,814
1856.....	6,920,822	-----	10,407,868	-3,487,047	-----	3,199,118
1857.....	7,353,952	-----	11,507,670	-4,153,718	-----	3,616,883
1858.....	7,486,793	-----	12,721,637	-5,234,844	-----	4,748,923
1859.....	7,968,484	-----	11,457,512	-3,489,028	-----	4,808,558
1860.....	8,518,067	-----	19,170,606	-10,652,539	-----	9,889,546
1861.....	8,349,296	-----	13,601,263	-5,251,967	-----	5,170,895
1862.....	8,299,821	-----	11,125,965	-2,826,144	-----	3,561,729
1863.....	11,163,790	-----	11,306,415	-142,625	-----	749,314
1864.....	12,438,254	-----	12,843,069	-404,815	-----	999,980
1865.....	14,556,159	-----	13,638,909	917,250	-----	250,000
1866.....	14,386,986	-----	15,320,837	-933,851	-----	-----
1867.....	15,237,027	-----	19,209,379	-3,972,352	-----	3,516,667
1868.....	16,292,601	-----	22,837,949	-6,545,348	-----	4,053,192
1869.....	17,314,176	-----	23,677,913	-6,363,737	-----	5,395,510
1870.....	18,879,537	-----	23,977,391	-5,097,854	-----	4,844,579
1871.....	20,637,045	-----	24,395,798	-4,358,752	-----	5,131,250
1872.....	21,915,426	-----	26,664,520	-4,749,094	-----	5,175,000
1873.....	22,996,742	-----	29,125,634	-6,128,893	-----	5,490,475
1874.....	26,471,072	-----	32,228,980	-5,757,908	-----	4,714,045
1875.....	26,791,314	-----	33,611,634	-6,820,321	-----	7,211,646
1876.....	28,644,198	-----	33,291,451	-4,647,253	-----	5,092,540
1877.....	27,531,585	-----	33,658,941	-6,127,356	-----	6,170,339
1878.....	29,277,517	-----	34,182,546	-4,905,029	-----	5,753,394
1879.....	30,041,983	-----	33,457,916	-3,415,933	-----	4,773,524
1880.....	33,315,479	-----	36,537,433	-3,221,953	-----	3,071,000
1881.....	36,785,398	-----	39,607,357	-2,821,959	-----	3,895,639
1882.....	41,876,410	-----	40,622,487	1,253,924	-----	-----
1883.....	45,508,693	-----	43,327,340	2,181,354	-----	74,503
1884.....	43,325,959	-----	47,233,016	-3,907,057	-----	-----
1885.....	42,560,844	-----	50,042,254	-7,481,410	-----	4,541,611
1886.....	43,948,423	-----	51,016,918	-7,068,495	-----	8,193,652
1887.....	48,837,609	-----	52,982,628	-4,145,018	-----	6,501,247
1888.....	52,695,177	-----	56,467,643	-3,772,466	-----	3,056,037
1889.....	56,175,611	-----	62,344,716	-6,169,104	-----	3,868,920
1890.....	60,882,098	-----	66,282,862	-5,400,764	-----	6,875,037
1891.....	65,931,786	-----	73,082,396	-7,150,610	-----	4,741,772
1892.....	70,930,476	-----	77,041,452	-6,110,976	-----	4,051,490
1893.....	75,896,933	-----	81,613,722	-5,716,789	-----	5,946,795
1894.....	75,080,479	-----	85,057,994	-9,977,515	-----	8,250,000
1895.....	76,983,128	-----	87,213,570	-10,230,442	-----	11,016,542
1896.....	82,499,208	-----	90,943,410	-8,444,201	-----	9,300,000
1897.....	82,665,463	-----	94,097,042	-11,431,579	-----	11,149,206
1898.....	89,012,619	-----	98,067,170	-9,054,552	-----	10,504,040
1899.....	95,021,384	-----	101,651,520	-6,630,136	-----	8,211,570
1900.....	102,354,579	-----	107,764,937	-5,410,358	-----	7,230,779
1901.....	111,631,193	-----	115,612,714	-3,981,521	-----	4,954,762
1902.....	121,848,047	-----	124,809,217	-2,961,170	-----	2,402,163
1903.....	134,224,443	-----	138,811,420	-4,586,977	-----	2,768,919
1904.....	143,582,624	-----	152,395,394	-8,812,769	-----	6,502,531
1905.....	152,826,585	-----	167,420,972	-14,594,387	-----	15,065,257

Footnotes at end of table.

TABLE 15.—*Postal receipts and expenditures, fiscal years 1789 through 1944*<sup>1</sup>—Con.

Year	As reported by the Post Office Department				Treasury accounts	
	Postal revenues	Postal expenditures <sup>2</sup>		Surplus or deficit (—)	Surplus revenue paid into Treasury <sup>4</sup>	Grants from Treasury to cover postal deficiencies <sup>5</sup>
		Extraordinary expenditures as reported under act of June 9, 1930 <sup>3</sup>	Other			
1906.....	\$167,932,783	.....	\$178,475,725	—\$10,542,942	.....	\$12,673,294
1907.....	183,585,006	.....	190,277,037	—6,692,031	.....	7,629,383
1908.....	191,478,663	.....	208,388,942	—16,910,279	.....	12,888,041
1909.....	203,562,383	.....	221,042,154	—17,479,770	.....	19,501,062
1910.....	224,128,658	.....	230,010,140	—5,881,482	.....	8,495,612
1911.....	237,879,824	.....	237,660,705	219,118	.....	133,784
1912.....	246,744,016	.....	248,629,539	—1,785,523	.....	1,568,195
1913.....	266,619,526	.....	262,108,875	4,510,651	.....	1,027,369
1914.....	287,934,566	.....	283,558,103	4,376,463	\$3,800,000	.....
1915.....	287,248,165	.....	298,581,474	—11,333,309	3,500,000	6,636,593
1916.....	312,057,689	.....	306,228,453	5,829,236	.....	5,500,000
1917.....	329,726,116	.....	319,889,904	9,836,212	5,200,000	.....
1918.....	388,975,962	.....	324,849,188	64,126,774	48,630,701	\$ 2,221,095
1919.....	436,239,126	.....	362,504,274	73,734,852	89,906,000	343,511
1920.....	437,150,212	.....	418,722,295	18,427,917	5,213,000	114,854
1921.....	463,491,275	.....	619,634,948	—156,143,673	.....	130,128,458
1922.....	484,853,541	.....	545,662,241	—60,808,700	81,494	64,346,235
1923.....	532,827,925	.....	556,893,129	—24,065,204	.....	32,526,915
1924.....	572,948,778	.....	587,412,755	—14,463,976	.....	12,638,850
1925.....	599,591,478	.....	639,536,505	—39,745,027	.....	23,216,784
1926.....	659,819,801	.....	679,792,180	—19,972,379	.....	39,506,490
1927.....	683,121,989	.....	714,628,189	—31,506,201	.....	27,263,191
1928.....	693,633,921	.....	725,755,017	—32,121,096	.....	32,080,202
1929.....	696,947,578	.....	782,408,754	—85,461,176	.....	94,699,744
1930.....	705,484,098	\$39,669,718	764,030,368	—98,215,987	.....	91,714,451
1931.....	656,463,383	48,047,308	754,482,265	—136,066,190	.....	145,643,613
1932.....	588,171,923	53,304,423	740,418,111	—205,550,611	.....	202,876,341
1933.....	587,631,364	61,691,287	638,314,969	—112,374,892	.....	117,380,192
1934.....	586,733,166	66,623,130	564,143,871	—44,033,835	.....	52,003,296
1935.....	630,795,302	69,537,252	627,066,001	—65,807,951	.....	63,970,405
1936.....	665,343,356	68,585,283	685,074,398	—88,316,324	.....	86,038,862
1937.....	726,201,110	51,587,336	721,228,596	—46,614,732	.....	41,896,945
1938.....	728,634,051	42,799,687	729,645,920	—31,111,556	.....	44,258,861
1939.....	745,955,075	48,540,273	736,106,665	—38,691,863	.....	41,237,263
1940.....	766,948,627	53,331,172	754,401,694	—40,784,239	.....	40,870,336
1941.....	812,827,736	58,837,470	778,108,078	—24,117,812	.....	30,064,048
1942.....	859,817,491	73,916,128	800,040,460	—14,139,037	.....	18,308,869
1943.....	966,227,289	122,343,916	830,191,463	13,691,909	.....	14,620,875
1944.....	1,112,877,174	126,639,650	942,315,968	43,891,556	1,000,000	\$ —28,999,995

NOTE.—Figures are rounded to nearest dollar and will not necessarily add to totals.

<sup>1</sup> From 1789 to 1842 the fiscal year ended Dec. 31; from 1844 to date, June 30. Figures for 1843 are for a half year, Jan. 1 to June 30.<sup>2</sup> Postal expenditures include adjusted losses, etc.—postal funds and expenditures from postal balances, but are exclusive of departmental expenditures in Washington, D. C., to the close of fiscal year 1922, and amounts transferred to the civil service retirement and disability fund, fiscal years 1921 to 1926, inclusive. For 1927 and subsequent years salary deductions are included in "Postal expenditures," the deductions having been paid to and deposited by disbursing clerks for credit of the retirement fund.<sup>3</sup> See explanation in exhibit 63, p. 516.<sup>4</sup> On basis of warrants issued from 1793 to 1915, and on basis of daily Treasury statements from 1916 to date.<sup>5</sup> On basis of warrants issued prior to 1922 and on basis of daily Treasury statements (see p. 519) for 1922 and thereafter. Represents advances from the General Fund of the Treasury to the Postmaster General to meet deficiencies in the postal revenues. These figures do not include any allowances for offsets on account of extraordinary expenditures or the cost of free mailings contributing to the deficiency of postal revenues certified to the Secretary of the Treasury by the Postmaster General pursuant to the act of Congress approved June 9, 1930. Excludes amounts transferred to the civil service retirement and disability fund under act of May 22, 1920 (41 Stat. 614), and amendments thereto on account of salary deductions of 2½ percent, as follows: 1921, \$6,519,683.59; 1922, \$7,899,006.28; 1923, \$8,284,081.00; 1924, \$8,679,658.60; 1925, \$10,266,977.00; and 1926, \$10,472,289.59. See note 2.<sup>6</sup> Actual advances from General Fund were reduced by repayment of \$5,800,000 from prior year advances which was carried to surplus.<sup>7</sup> Exclusive of General Fund payments from the appropriation "Additional compensation Postal Service" under authority of the act approved Nov. 8, 1919, in the amounts of \$35,698,400, \$1,374,015, and \$6,700 for the fiscal years 1920, 1921, and 1922, respectively.<sup>8</sup> Repayment of unexpended portion of prior years' advances.

TABLE 16 — *Selected receipts and expenditures of the Government, fiscal years 1789 through 1944*

[On basis of warrants issued from 1789 to 1930, and on basis of checks issued for 1931 and subsequent years, see p. 519]

Fiscal year	Receipts from sales of public lands	Expenditures		Fiscal year	Receipts from sales of public lands	Expenditures	
		Indians	Veterans' pensions			Indians	Veterans' pensions
1789-91.....		\$27,000	\$175,814	1840.....	\$3,292,683	\$2,331,795	\$2,603,950
1792.....		13,649	109,243	1841.....	1,365,627	2,594,063	2,338,496
1793.....		27,283	80,088	1842.....	1,335,798	1,201,062	1,379,469
1794.....		13,042	81,399	1843 <sup>1</sup> .....	897,818	581,680	813,323
1795.....		23,476	68,673	1844.....	2,059,940	1,179,279	2,030,598
1796.....	\$4,836	113,564	100,841	1845.....	2,077,022	1,540,817	2,396,642
1797.....	83,541	62,356	92,257	1846.....	2,694,452	1,021,461	1,810,371
1798.....	11,963	16,470	104,845	1847.....	2,498,355	1,470,306	1,747,917
1799.....		20,302	95,444	1848.....	3,328,643	1,221,792	1,211,270
				1849.....	1,688,960	1,373,119	1,330,016
1800.....	441	31	64,131	1850.....	1,859,894	1,665,802	1,870,292
1801.....	167,726	9,000	73,533	1851.....	2,352,305	2,895,700	2,290,278
1802.....	188,628	94,000	85,410	1852.....	2,043,240	2,980,403	2,403,953
1803.....	165,676	60,000	62,902	1853.....	1,667,085	3,905,745	1,777,871
1804.....	487,527	116,500	80,093	1854.....	8,470,798	1,553,031	1,237,879
1805.....	540,194	196,500	81,855	1855.....	11,497,619	2,792,552	1,450,153
1806.....	765,246	234,200	81,876	1856.....	8,917,645	2,749,430	1,298,209
1807.....	466,163	205,425	70,500	1857.....	3,829,487	4,267,543	1,312,043
1808.....	647,939	213,575	82,576	1858.....	3,513,716	4,926,739	1,217,488
1809.....	442,252	337,504	87,834	1859.....	1,756,687	3,625,027	1,220,378
1810.....	696,549	177,625	83,744	1860.....	1,778,558	2,949,191	1,102,926
1811.....	1,040,238	151,875	75,044	1861.....	870,659	2,841,358	1,036,064
1812.....	710,428	277,845	91,402	1862.....	152,204	2,273,224	853,095
1813.....	835,655	167,358	86,990	1863.....	167,617	3,154,357	1,078,991
1814.....	1,135,971	167,395	90,164	1864.....	588,333	2,629,859	4,983,924
1815.....	1,287,959	530,750	69,656	1865.....	996,553	5,116,837	16,338,811
1816.....	1,717,985	274,512	188,804	1866.....	665,031	3,247,665	15,605,352
1817.....	1,991,226	319,404	297,374	1867.....	1,163,576	4,642,532	20,936,552
1818.....	2,603,565	505,704	890,720	1868.....	1,348,715	4,100,682	23,782,387
1819.....	3,274,423	463,181	2,415,940	1869.....	4,020,344	7,042,923	28,476,622
1820.....	1,635,872	315,750	3,208,376	1870.....	3,350,482	3,407,938	28,340,202
1821.....	1,212,966	477,005	242,817	1871.....	2,388,647	7,426,997	34,443,895
1822.....	1,803,582	575,007	1,948,199	1872.....	2,575,714	7,061,729	28,533,403
1823.....	916,523	380,782	1,780,589	1873.....	2,882,312	7,951,705	29,359,427
1824.....	984,418	429,988	1,499,327	1874.....	1,852,429	6,692,462	29,038,415
1825.....	1,216,091	724,106	1,308,811	1875.....	1,413,640	8,384,657	29,456,216
1826.....	1,393,785	743,448	1,556,594	1876.....	1,129,467	5,966,558	28,257,396
1827.....	1,495,845	760,625	976,129	1877.....	976,254	5,277,067	27,963,752
1828.....	1,018,309	705,084	850,574	1878.....	1,079,743	4,629,280	27,137,019
1829.....	1,517,175	576,345	949,594	1879.....	924,781	5,206,109	35,121,482
1830.....	2,329,356	622,262	1,363,297	1880.....	1,016,507	5,945,457	56,777,175
1831.....	3,210,815	930,738	1,170,665	1881.....	2,201,863	6,514,161	50,059,280
1832.....	2,623,281	1,352,420	1,184,422	1882.....	4,753,110	9,736,748	61,345,194
1833.....	3,967,683	1,802,981	4,589,152	1883.....	7,955,864	7,362,591	66,612,574
1834.....	4,857,601	1,003,953	3,364,285	1884.....	9,810,705	6,475,999	55,429,228
1835.....	14,757,601	1,706,444	1,954,711	1885.....	5,705,988	6,552,495	56,102,268
1836.....	24,877,180	4,615,141	2,882,798	1886.....	5,630,999	6,090,158	63,404,864
1837.....	6,776,237	4,348,076	2,672,162	1887.....	9,254,286	6,194,523	75,029,102
1838.....	3,681,940	5,504,191	2,156,086	1888.....	11,202,017	6,249,308	80,288,509
1839.....	7,076,417	2,528,917	3,142,884	1889.....	8,038,652	6,892,208	87,624,779

Footnotes at end of table.



TABLE 16.—*Selected receipts and expenditures of the Government, fiscal years 1789 through 1944—Continued*

Fiscal year	Receipts from sales of public lands	Expenditures		Fiscal year	Receipts from sales of public lands	Expenditures	
		Indians	Veterans' pensions			Indians	Veterans' pensions
1890.....	\$6,358,273	\$6,708,047	\$106,936,855	1920.....	\$1,910,140	\$40,516,832	\$212,344,204
1891.....	4,029,535	8,527,469	124,415,951	1921.....	1,530,439	41,470,808	260,611,416
1892.....	3,261,876	11,150,578	134,583,053	1922.....	895,391	38,500,413	252,576,848
1893.....	3,182,090	13,345,347	159,357,558	1923.....	656,508	45,142,763	264,147,869
1894.....	1,673,637	10,293,482	141,177,285	1924.....	522,223	46,754,026	228,261,555
1895.....	1,103,347	9,939,754	141,395,229	1925.....	623,531	38,755,157	218,321,424
1896.....	1,005,523	12,165,528	139,434,001	1926.....	754,253	48,442,120	207,189,622
1897.....	864,581	13,016,802	141,053,165	1927.....	621,187	36,791,649	230,556,065
1898.....	1,243,129	10,994,668	147,452,369	1928.....	384,651	36,990,808	229,401,462
1899.....	1,678,247	12,805,711	139,394,929	1929.....	314,568	34,086,556	229,781,079
1900.....	2,836,883	10,175,107	140,877,316	1930.....	395,744	32,066,628	220,608,931
1901.....	2,965,120	10,896,073	139,323,622	1931.....	230,302	26,778,585	234,402,722
1902.....	4,144,123	10,049,585	138,488,560	1932.....	170,339	26,125,092	232,521,292
1903.....	8,926,311	12,935,168	138,425,646	1933.....	102,561	22,722,347	234,990,427
1904.....	7,453,480	10,438,350	142,559,266	1934.....	99,336	23,372,905	319,322,034
1905.....	4,859,250	14,236,071	141,773,965	1935.....	86,757	27,918,899	373,804,501
1906.....	4,879,834	12,746,859	141,034,562	1936.....	74,355	28,875,773	399,065,694
1907.....	7,878,811	15,163,608	139,309,514	1937.....	71,218	36,933,148	396,047,400
1908.....	9,731,560	14,570,756	153,892,467	1938.....	95,649	33,378,389	402,779,083
1909.....	7,700,568	15,694,618	161,710,367	1939.....	248,461	46,964,171	416,720,951
1910.....	6,355,797	18,504,132	160,696,416	1940.....	117,020	237,821,090	429,178,280
1911.....	5,731,637	20,933,869	157,980,575	1941.....	178,246	233,587,984	433,147,890
1912.....	5,392,797	20,134,840	153,590,456	1942.....	89,605	231,838,510	431,294,492
1913.....	2,910,205	20,306,159	175,085,450	1943.....	129,206	224,665,410	442,393,770
1914.....	2,571,775	20,215,076	173,440,231	1944.....	99,320	231,266,494	494,959,142
1915.....	2,167,136	22,130,351	164,387,942				
1916.....	1,887,662	17,570,284	159,302,351				
1917.....	1,892,893	30,598,093	160,318,406				
1918.....	1,969,455	30,888,400	181,137,754				
1919.....	1,404,705	34,593,257	221,614,781				

r Revised.

<sup>1</sup> From 1789 to 1842 the fiscal year ended Dec. 31; from 1844 to date, on June 30. Figures for 1843 are for a half year, Jan. 1 to June 30.

<sup>2</sup> Excludes interest accounts which are included in trust fund expenditures.

TABLE 17.—*Expenses of the Internal Revenue Service, fiscal year 1944*

[On basis of checks issued, see p. 520]

## PART A. RECAPITULATION

Appropriation	Salaries	Travel expenses	Rent	Miscellaneous	Total
Collecting the internal revenue, 1944:					
Collectors.....	\$60,615,429.58	\$1,862,455.55	\$1,432,968.10	\$1,966,543.60	\$65,877,396.83
Agents.....	20,274,594.35	708,433.38	764,742.50	219,560.65	21,967,330.88
Supervisors.....	13,011,080.80	880,551.66	232,113.12	596,801.34	14,720,546.92
Technical Staff field forces.....	1,965,975.91	20,679.42	342,960.43	72,728.63	2,402,344.39
Chief Counsel field forces.....	940,941.61	22,217.33			963,158.94
Departmental service and field forces operating from Washington.....	16,883,429.38	484,804.12	140,449.16	2,765,517.87	20,274,200.53
Subtotal.....	113,694,451.63	3,979,141.46	2,913,233.31	5,621,152.09	126,204,978.49
Emergency fund for the President, national defense, allotment to Treasury, Internal Revenue, 1943 and 1944.....		-2.10			-2.10
Appropriations prior to 1944.....	299,579.64	436,439.64	382,507.77	2,745,643.42	3,864,190.47
Total.....	113,991,031.27	4,415,599.00	3,295,741.08	8,366,795.51	130,069,166.86

TABLE 17.—*Expenses of the Internal Revenue Service, fiscal year 1944—Continued*

PART B. DISBURSEMENTS FOR COLLECTORS OF INTERNAL REVENUE FROM THE APPROPRIATION "COLLECTING THE INTERNAL REVENUE, 1944"

District	Salaries of collectors, deputies, clerks, etc.	Travel expenses	Rent	Miscellaneous	Total
Alabama.....	\$583,232.58	\$33,036.09	\$3,336.25	\$18,133.03	\$637,737.95
Arizona.....	241,212.93	22,146.62	1,515.82	8,005.30	272,880.67
Arkansas.....	408,918.87	39,570.58	1,157.50	13,318.98	462,965.93
California:					
First district.....	1,979,993.60	73,505.25	25,371.64	65,990.44	2,144,860.93
Sixth district.....	2,525,861.61	75,827.10	49,527.53	94,556.93	2,745,773.17
Colorado.....	512,021.19	24,793.02	1,749.61	26,387.82	594,951.67
Connecticut.....	1,144,783.71	18,225.10	71,645.07	35,509.98	1,270,163.89
Delaware.....	179,675.68	4,459.41	1,348.41	7,030.06	192,513.59
Florida.....	791,532.04	45,008.04	5,386.54	27,911.69	869,838.31
Georgia.....	692,379.73	50,798.60	13,810.75	24,240.12	781,229.20
Hawaii.....	293,438.04	18,016.20	5,885.00	13,729.13	331,068.37
Idaho.....	262,198.99	12,824.70	2,277.00	7,562.67	284,863.36
Illinois:					
First district.....	3,232,600.63	31,826.71	55,948.33	115,244.33	3,435,620.03
Eighth district.....	1,244,886.88	52,728.02	33,195.50	29,823.74	1,360,634.14
Indiana.....	1,448,636.47	34,808.38	28,234.54	45,917.17	1,557,596.56
Iowa.....	1,176,482.37	28,674.18	13,341.59	29,512.38	1,248,010.52
Kansas.....	859,420.01	63,192.75	21,200.89	25,333.14	969,146.79
Kentucky.....	727,192.23	35,353.51	1,998.75	26,493.76	791,038.25
Louisiana.....	624,136.74	21,353.17	10,340.06	21,357.59	677,187.56
Maine.....	439,833.54	36,472.33	2,613.00	15,033.13	493,952.00
Maryland.....	1,599,021.38	16,048.66	4,484.28	55,302.32	1,674,856.64
Massachusetts.....	2,099,203.44	13,243.08	91,756.42	63,641.13	2,267,844.07
Michigan.....	2,385,298.93	63,468.16	47,788.17	94,047.50	2,590,602.76
Minnesota.....	1,298,342.45	55,709.78		40,730.16	1,394,782.39
Mississippi.....	365,018.00	34,028.54	4,536.00	12,360.26	415,942.80
Missouri:					
First district.....	983,068.06	30,559.13	3,802.50	19,579.85	1,037,009.54
Sixth district.....	690,584.69	40,482.74	3,680.00	20,269.44	755,016.87
Montana.....	302,146.15	25,060.56	2,841.63	11,084.73	341,133.07
Nebraska.....	613,994.12	40,502.51	1,928.12	20,076.48	676,501.23
Nevada.....	133,552.17	6,853.59	3,630.00	5,167.53	149,203.29
New Hampshire.....	292,840.20	10,756.05	6,197.50	10,265.28	320,059.03
New Jersey:					
First district.....	583,119.74	7,459.79	889.75	20,236.14	611,705.42
Fifth district.....	1,877,171.87	13,340.83	34,521.60	49,420.39	1,974,454.69
New Mexico.....	193,836.50	17,613.01	3,570.60	6,250.81	221,270.92
New York:					
First district.....	2,232,398.92	4,997.54	176,228.93	64,778.95	2,478,404.34
Second district.....	1,417,437.55	586.44	29,610.78	39,095.98	1,486,730.75
Third district.....	1,566,205.87	205.78	31,612.13	44,515.94	1,642,539.72
Fourteenth district.....	1,483,651.37	20,494.40	104,053.05	39,444.89	1,647,643.71
Twenty-first district.....	708,376.65	16,830.51	2,508.63	21,652.44	749,458.23
Twenty-eighth district.....	1,153,904.91	23,409.61	4,289.99	24,488.54	1,206,093.05
North Carolina.....	751,814.38	48,459.99	25,002.83	40,479.76	865,756.96
North Dakota.....	257,031.47	17,736.71	2,670.25	4,639.59	282,078.02
Ohio:					
First district.....	807,612.22	12,082.89	3,396.00	22,546.07	845,637.18
Tenth district.....	514,578.40	14,242.44	9,139.00	20,943.20	558,903.04
Eleventh district.....	555,539.61	14,101.51	8,854.89	20,181.19	598,677.20
Eighteenth district.....	1,576,742.05	32,313.46	132,586.66	57,875.24	1,799,517.41
Oklahoma.....	679,711.18	45,398.93	6,118.94	19,104.57	750,333.62
Oregon.....	662,974.32	24,766.96	9,757.95	25,405.46	722,904.69
Pennsylvania:					
First district.....	2,367,377.62	45,775.66	54,554.41	66,057.73	2,533,765.42
Twelfth district.....	619,853.50	13,960.34	7,179.90	17,284.46	658,278.20
Twenty-third district.....	1,304,552.58	22,525.96	25,214.26	25,770.94	1,378,063.74
Rhode Island.....	486,270.91	3,321.02	65,026.17	23,500.75	578,118.88
South Carolina.....	328,156.39	25,444.95	3,520.00	13,544.37	370,665.71
South Dakota.....	282,143.58	27,060.80	3,040.27	10,762.73	323,015.88
Tennessee.....	726,630.67	27,379.51	3,028.86	26,942.38	783,981.42
Texas:					
First district.....	1,245,654.69	49,821.30	20,331.19	39,641.22	1,355,451.40
Second district.....	1,200,522.98	53,175.37	20,184.90	39,498.81	1,313,322.06
Utah.....	255,892.01	9,005.83		11,398.33	276,296.17
Vermont.....	191,588.52	10,946.43	3,110.00	6,787.90	212,432.85
Virginia.....	871,722.75	56,888.75	37,783.00	34,517.66	1,000,912.16
Washington.....	1,227,573.12	34,270.95	67,838.58	43,069.98	1,372,752.63
West Virginia.....	625,571.74	33,193.02	984.52	22,610.14	682,359.42
Wisconsin.....	1,505,887.39	63,735.63	15,072.60	55,113.38	1,639,809.00
Wyoming.....	192,416.63	12,577.14	660.00	5,424.59	211,078.36
Total.....	60,615,429.58	1,862,455.55	1,432,968.10	1,966,543.60	65,877,396.83

TABLE 17.—*Expenses of the Internal Revenue Service, fiscal year 1944*—Continued

PART C. DISBURSEMENTS FOR INTERNAL REVENUE AGENTS FROM THE APPROPRIATION "COLLECTING THE INTERNAL REVENUE, 1944"

Division	Salaries of agents, clerks, etc.	Travel expenses	Rent	Miscellaneous	Total
Atlanta.....	\$233,095.35	\$11,925.79		\$2,141.28	\$247,162.42
Baltimore.....	813,698.69	11,637.22	\$32,213.50	5,515.94	863,065.35
Boston.....	903,274.01	24,806.94	28,602.82	9,441.57	966,125.34
Brooklyn.....	595,252.17	24,146.94	15,414.19	4,841.86	639,655.16
Buffalo.....	450,342.70	13,356.89	22,530.89	4,342.38	490,572.86
Chicago.....	1,420,325.59	23,211.74	69,569.50	18,149.81	1,531,256.64
Cincinnati.....	377,468.85	19,170.65	19,549.33	4,759.41	420,948.24
Cleveland.....	688,713.97	24,551.41	32,716.50	8,799.06	754,780.94
Columbia.....	128,221.66	7,960.28	5,278.69	1,988.61	143,449.24
Dallas.....	859,308.73	43,789.24	39,701.14	7,107.64	949,909.75
Denver.....	258,879.81	8,973.78	9,712.00	2,719.16	280,284.75
Detroit.....	777,549.43	32,545.62	42,158.56	9,413.00	861,666.61
Greensboro.....	286,602.79	27,571.04	4,387.73	4,053.91	322,615.47
Honolulu.....	85,005.95	3,052.71	2,362.00	1,111.46	91,532.12
Huntington.....	138,150.43	8,787.87	1,928.66	2,083.36	150,950.32
Indianapolis.....	321,830.64	17,039.09	20,150.04	4,507.89	363,527.66
Jacksonville.....	345,154.76	20,817.09	13,667.50	6,021.73	385,661.08
Los Angeles.....	821,003.17	23,664.36	55,166.93	9,271.71	909,106.17
Louisville.....	229,525.00	13,020.08	8,729.60	2,526.95	253,801.63
Milwaukee.....	325,391.02	8,165.02	11,760.17	4,409.65	349,725.86
Nashville.....	296,916.82	12,489.46	13,737.01	3,094.08	326,237.37
Newark.....	824,290.98	10,804.22	32,968.14	11,068.21	879,131.55
New Haven.....	475,872.78	10,729.72	21,314.99	7,160.54	515,078.03
New Orleans.....	328,910.89	24,962.39	16,824.27	5,032.54	375,730.09
New York:					
Second division.....	1,663,208.72	14,734.13	72,580.42	13,634.15	1,764,157.42
Upper division.....	1,552,578.73	21,631.47	1,155.00	12,281.94	1,587,647.14
Oklahoma City.....	345,738.07	33,340.31	16,328.66	4,201.42	399,608.49
Omaha.....	343,550.42	17,019.83	12,822.26	3,414.95	376,807.46
Philadelphia.....	933,237.04	23,199.87	25,289.00	8,855.98	990,581.89
Pittsburgh.....	626,873.12	14,091.01	27,614.80	4,809.54	673,418.47
Richmond.....	256,254.93	18,470.66	2,462.35	3,076.89	280,264.83
Salt Lake City.....	187,315.70	12,829.66	5,013.58	2,801.69	207,960.63
San Francisco.....	672,721.79	22,982.16	26,502.12	7,470.84	729,676.91
Seattle.....	371,048.19	18,573.04	1,591.20	5,306.04	396,518.47
Springfield.....	189,172.86	22,666.39	7,837.50	2,346.26	222,023.01
St. Louis.....	568,015.31	13,752.83	18,931.70	5,145.40	605,845.24
St. Paul.....	350,876.19	26,823.79	18,158.75	4,305.06	400,163.79
Wichita.....	229,217.09	21,108.65	7,975.00	2,348.74	260,649.48
Total.....	20,274,594.35	708,433.38	764,742.50	219,560.65	21,967,330.88

TABLE 17.—*Expenses of the Internal Revenue Service, fiscal year 1944*—Continued

## PART D. DISBURSEMENTS FOR DISTRICT SUPERVISORS' OFFICES FROM THE APPROPRIATION "COLLECTING THE INTERNAL REVENUE, 1944"

District	Salaries of supervisors, clerks, etc.	Travel expenses	Rent	Miscellaneous	Total
Boston.....	\$827, 143. 94	\$31, 198. 25	\$28, 287. 02	\$31, 243. 73	\$917, 872. 94
New York.....	1, 069, 450. 61	42, 172. 72	58, 744. 60	60, 898. 76	1, 231, 266. 69
Philadelphia.....	1, 138, 022. 62	55, 712. 54	6, 603. 25	32, 771. 46	1, 233, 109. 87
Newark.....	563, 384. 81	17, 646. 58	31, 437. 84	16, 181. 20	628, 650. 43
Baltimore.....	1, 248, 347. 95	86, 754. 09	10, 162. 11	57, 798. 03	1, 403, 062. 18
Atlanta.....	681, 125. 76	79, 739. 69	15, 449. 67	86, 341. 74	862, 656. 86
Louisville.....	1, 553, 656. 15	73, 066. 86	6, 489. 47	41, 217. 89	1, 674, 430. 37
Detroit.....	749, 781. 75	58, 673. 64	10, 318. 79	41, 335. 40	860, 109. 58
Chicago.....	1, 626, 436. 68	94, 945. 83	15, 879. 43	51, 452. 33	1, 788, 714. 27
New Orleans.....	700, 938. 97	73, 565. 49	18, 588. 85	42, 778. 90	835, 872. 21
Kansas City.....	641, 807. 01	65, 384. 66	4, 219. 77	41, 774. 01	753, 185. 45
St. Paul.....	474, 335. 06	58, 804. 65	11, 759. 73	33, 145. 40	578, 044. 84
Denver.....	204, 415. 19	18, 441. 78	6, 475. 15	9, 893. 21	239, 225. 33
San Francisco.....	1, 210, 257. 31	87, 549. 08	7, 059. 44	31, 303. 62	1, 336, 169. 45
Honolulu.....	30, 495. 23	1, 007. 44		1, 106. 56	32, 609. 23
Seattle.....	291, 481. 76	35, 888. 36	638. 00	17, 559. 10	345, 567. 22
Total.....	13, 011, 080. 80	880, 551. 66	232, 113. 12	596, 801. 34	14, 720, 516. 92

## PART E. DISBURSEMENTS FOR TECHNICAL STAFF FIELD DIVISIONS FROM THE APPROPRIATION "COLLECTING THE INTERNAL REVENUE, 1944"

Division	Salaries of Technical Staff field employees	Travel expenses	Rent	Miscellaneous	Total
Atlantic.....	\$130, 910. 23	\$1, 502. 84	\$4, 808. 10	\$3, 297. 77	\$140, 518. 94
Central.....	210, 284. 78	2, 888. 31	34, 924. 45	10, 359. 46	258, 457. 00
Chicago.....	237, 562. 32	1, 371. 83	40, 524. 97	9, 691. 07	289, 150. 19
Eastern.....	304, 373. 23	1, 873. 11	56, 332. 74	8, 234. 08	370, 813. 16
New England.....	96, 843. 69	616. 30	20, 242. 75	4, 426. 29	122, 129. 03
New York.....	390, 809. 92	3, 893. 27	98, 556. 78	13, 463. 20	506, 723. 17
Pacific.....	173, 449. 14	2, 164. 59	16, 658. 68	7, 365. 11	199, 637. 52
Southern.....	111, 178. 85	2, 015. 75	17, 277. 15	5, 038. 07	135, 509. 82
Southwestern.....	180, 780. 58	2, 223. 67	34, 579. 05	6, 628. 35	224, 211. 65
Western.....	129, 783. 17	2, 129. 75	19, 055. 76	4, 225. 23	155, 193. 91
Total.....	1, 965, 975. 91	20, 679. 42	342, 960. 43	72, 728. 63	2, 402, 344. 39

TABLE 17.—*Expenses of the Internal Revenue Service, fiscal year 1944*—Continued

## PART F. DISBURSEMENTS FOR CHIEF COUNSEL FIELD DIVISIONS FROM THE APPROPRIATION "COLLECTING THE INTERNAL REVENUE, 1944"

Division	Salaries of Chief Counsel Field employees	Travel expenses	Total
Atlantic.....	\$58,087.86	\$1,690.22	\$59,778.08
Central.....	89,250.78	2,997.16	92,247.94
Chicago.....	134,196.83	1,844.13	136,040.96
Eastern.....	124,593.42	1,807.42	126,400.84
New England.....	37,563.16	345.81	37,908.97
New York.....	207,978.92	1,564.57	209,543.49
Pacific.....	108,714.39	4,549.81	113,264.20
Southern.....	57,737.42	2,863.08	60,600.50
Southwestern.....	80,736.58	2,675.88	83,412.46
Western.....	42,082.25	1,879.25	43,961.50
Total.....	940,941.61	22,217.33	963,158.94

## PART G. DISBURSEMENTS FOR DEPARTMENTAL SERVICE AND FIELD FORCES OPERATING FROM WASHINGTON

Appropriation	Salaries	Travel expenses	Rent	Miscellaneous	Total
Collecting the internal revenue, 1944.....	\$16,883,429.38	\$484,804.12	\$140,449.16	\$2,765,517.87	\$20,274,200.53

## PART H. DISBURSEMENTS IN THE FISCAL YEAR 1944 FROM APPROPRIATIONS FOR YEARS PRIOR TO 1944

Appropriation	Salaries	Travel expenses	Rent	Miscellaneous	Total
Collecting the internal revenue, 1943.....	\$297,515.89	\$433,403.16	\$382,509.08	\$2,741,316.79	\$3,854,714.83
Collecting the internal revenue, 1942.....	—589.63	2,031.89	—1.31	3,209.23	4,650.13
Salaries and administrative expenses for refunding processing and related taxes and administering Title III, Revenue Acts of 1936, 1943.....	2,735.91	995.83	—	1,117.49	4,849.23
Salaries and administrative expenses for refunding processing and related taxes and administering Title III, Revenue Acts of 1936, 1942.....	—82.48	28.76	—	—	—53.72
Total.....	299,579.64	436,459.64	382,507.77	2,745,643.42	3,864,190.47

## CLAIMS APPROVED FOR PAYMENT FROM THE REFUNDING APPROPRIATIONS

Appropriation	Total
Refunding internal revenue collections, 1944 and prior years.....	\$147,539,220.76
Refunds and payments of processing and related taxes, Bureau of Internal Revenue, 1944.....	428,220.92
Total.....	147,967,441.68

## WAR ACTIVITIES PROGRAM

TABLE 18.—Appropriations and net contract authorizations for war activities, as of June 30, 1944

Date approved	Public Law No.	Title of act	Appropriations	Net contract authorizations 2
76TH CONGRESS, THIRD SESSION				
Mar. 25, 1940	442	Treasury Department Appropriation Act, 1941	\$53,965,035.00	
Apr. 18, 1940	459	Independent Offices Appropriation Act, 1941	149,500,000.00	
May 14, 1940	508	Justice Department Appropriation Act, 1941 (title III)	2,488,000.00	
June 11, 1940	588	Navy Department Appropriation Act, 1941	1,308,171,138.00	
June 13, 1940	611	Military Appropriation Act, 1941	1,499,323,322.00	
June 18, 1940	640	Interior Department Appropriation Act, 1941	495,000.00	
June 24, 1940	653	War Department Civil Appropriation Act, 1941	15,000,000.50	
June 26, 1940	667	Civil Activities National Defense Appropriation Act, 1941	1,474,901,057.00	
June 28, 1940	388	Emergency Relief Appropriation Act, 1941 (refugee relief)	50,000,000.00	
June 27, 1940	668	Second Deficiency Appropriation Act, 1941	17,656,900.00	
July 18, 1940	394	Public Resolution (war risk insurance fund)	40,000,000.00	
Sept. 9, 1940	781	Second Supplemental National Defense Appropriation Act, 1941	2,497,016,392.00	
Sept. 24, 1940	399	Public Resolution (War Department—Military posts and acquisition of land)	338,263,902.00	
Oct. 8, 1940	800	Third Supplemental National Defense Appropriation Act, 1941	1,323,414,082.00	
Oct. 9, 1940	812	First Supplemental Civil Functions Appropriation Act, 1941	148,821,000.00	
Oct. 14, 1940	3106	Public Resolution (national defense housing)	75,000,000.00	
		Total, 76th Congress, Third Session	8,994,015,828.00	
77TH CONGRESS, FIRST SESSION				
Feb. 6, 1941	5	Joint Resolution (emergency ship construction)	\$313,500,000.00	
Feb. 13, 1941	6	Joint Resolution (clothing and equipage—War Department)	175,000,000.00	
Mar. 1, 1941	9	Urgent Deficiency Appropriation Act, 1941	6,047,775.00	
Mar. 17, 1941	13	Fourth Supplemental National Defense Appropriation Act, 1941	1,376,464,602.00	
Mar. 27, 1941	23	Defense Aid Supplemental Appropriation Act, 1941	7,000,000,000.00	
Apr. 1, 1941	25	First Deficiency Appropriation Act, 1941	114,458,468.00	
Apr. 5, 1941	29	Independent Offices Appropriation Act, 1942	399,360,000.00	
Apr. 5, 1941	29	Fifth Supplemental National Defense Appropriation Act, 1941	2,293,227,920.00	
Apr. 6, 1941	48	Navy Department Appropriation Act, 1942	3,415,521,750.00	
May 23, 1941	71	War Department Civil Appropriation Act, 1942	37,920,370.00	
May 24, 1941	73	Additional Urgent Deficiency Appropriation Act, 1941	168,556,000.00	
May 31, 1941	88	Treasury Department Appropriation Act, 1942	62,193,150.00	
June 28, 1941	135	Justice, State and Commerce Departments Appropriation Act, 1942	129,227,750.00	
June 28, 1941	136	Interior Department Appropriation Act, 1942	2,035,000.00	
June 30, 1941	139	Military Appropriation Act, 1942	10,284,821,624.00	
July 1, 1941	146	Labor—Federal Security Appropriation Act, 1942	173,168,500.00	

July 3, 1941	150	Second Deficiency Appropriation Act, 1941	998,894,561.00
Aug. 25, 1941	247	First Supplemental National Defense Appropriation Act, 1942	6,580,012,448.00
Oct. 28, 1941	282	Second Supplemental National Defense Appropriation Act, 1942: (Title I)	5,985,000,000.00
		(Title II)	159,005,585.00
Nov. 19, 1941	295	Defense Highway Act of 1941	28,400,000.00
Dec. 17, 1941	353	Third Supplemental National Defense Appropriation Act, 1942	9,112,021,947.00
Dec. 23, 1941	371	Joint Resolution (War, Philippine relief, and defense housing)	50,000,000.00
		Total, 77th Congress, First Session	49,396,437,450.00
			678,400,000.00

## 77TH CONGRESS, SECOND SESSION

Jan. 30, 1942	422	Fourth Supplemental National Defense Appropriation Act, 1942	\$12,525,872,474.00
Feb. 7, 1942	441	Naval Appropriation Act, 1943	\$ 23,738,865,474.00
Feb. 12, 1942	452	Joint Resolution (financial aid to China)	500,000,000.00
Feb. 21, 1942	463	First Deficiency Appropriation Act, 1942	135,203,320.69
Mar. 5, 1942	474	Fifth Supplemental National Defense Appropriation Act, 1942	30,412,737,900.00
Apr. 28, 1942	527	War Department Civil Appropriation Act, 1943	57,886,985.00
Apr. 28, 1942	528	Sixth Supplemental National Defense Appropriation Act, 1942	18,932,124,063.00
June 5, 1942	572	Joint Resolution (War Risk Insurance Fund)	210,000,000.00
June 19, 1942	616	Joint Resolution (education and training)	9,500,000.00
June 25, 1942	626	Seventh Supplemental National Defense Appropriation Act, 1942	7,655,074,740.00
June 27, 1942	630	Independent Offices Appropriation Act, 1943	1,052,812,003.65
July 2, 1942	644	Justice, State and Commerce Departments Appropriation Act, 1943	261,908,180.00
July 2, 1942	645	Interior Department Appropriation Act, 1943	8,977,370.00
July 2, 1942	646	Public Law (Federal Works Agency—public roads)	227,726,844.00
July 2, 1942	647	Labor—Federal Security Appropriation Act, 1943	10,415,077.72
July 2, 1942	648	Second Deficiency Appropriation Act, 1942	42,820,003,007.00
July 2, 1942	649	Military Appropriation Act, 1943	32,500,000.00
July 2, 1942	650	War Housing and Public Works Appropriation Act, 1942	1,815,234,990.47
July 25, 1942	678	First Supplemental National Defense Appropriation Act, 1943	\$ 6,299,361,448.40
Oct. 26, 1942	763	Second Supplemental National Defense Appropriation Act, 1943	139,736,203,987.94
		Total, 77th Congress, Second Session	2,356,000,000.00

## 78TH CONGRESS, FIRST SESSION

Mar. 2, 1943	3	Joint Resolution (Selective Service System)	\$21,160,000.00
Mar. 18, 1943	11	First Deficiency Appropriation Act, 1943	4,063,918,984.28
Mar. 31, 1943	20	Supplemental Naval Appropriation Act, 1943	3,836,176,119.00
Apr. 29, 1943	45	Joint Resolution (farm labor program)	26,100,000.00
May 7, 1943	50	Joint Resolution (Commerce Department—war training program)	3,500,000.00
June 2, 1943	60	War Department Civil Appropriation Act, 1944	1,457,898.00
June 14, 1943	74	Defense Aid Supplemental Appropriation Act, 1943	6,273,623,000.00
June 26, 1943	90	Independent Offices Appropriation Act, 1943	1,393,013,569.00
June 26, 1943	92	Naval Appropriation Act, 1944	\$ 27,637,226,138.00
			\$ 956,134,522.00

Footnotes at end of table.

TABLE 18.—Appropriations and net contract authorizations for war activities, as of June 30, 1944—Continued

Date approved	Public Law No.	Title of act	Appropriations	Net contract authorizations
75TH CONGRESS, FIRST SESSION—Continued				
July 1, 1943	105	Departments of State, Justice, and Commerce Appropriation Act, 1944	\$67,635,000.00	
July 1, 1943	108	Military Appropriation Act, 1944	59,634,839,673.00	
July 12, 1943	129	Department of Agriculture Appropriation Act, 1944	38,048,000.00	
July 12, 1943	132	Urgent Deficiency Appropriation Act, 1943	31,979,600.00	
July 12, 1943	133	Interior Department Appropriation Act, 1944	14,884,000.00	
July 12, 1943	135	Labor—Federal Security Appropriation Act, 1944	307,933,500.00	
July 12, 1943	139	Labor—Federal Security Appropriation Act, 1944	2,911,697,224.00	\$14,000,000.00
July 12, 1943	140	National War Agencies Appropriation Act, 1944	151,340,087.67	
Oct. 1, 1943	156	Second Deficiency Appropriation Act, 1943	18,620,000.00	
Oct. 1, 1943	156	Joint Resolution (Labor Department)		
Dec. 17, 1943	204	Public Law (naval expansion program)	81,283,467.87	6 3,650,449,880.00
Dec. 23, 1943	216	First Supplemental National Defense Appropriation Act, 1944	105,916,492,320.82	4,620,584,402.00
Total, 75th Congress, First Session				
78TH CONGRESS, SECOND SESSION				
Feb. 14, 1944	229	Joint Resolution (farm labor and migration of workers)	\$31,359,200.00	
Apr. 1, 1944	279	First Deficiency Appropriation Act, 1944	170,221,080.07	\$40,000,000.00
Apr. 1, 1944	288	Public Law (Federal Works Agency—public roads)		30,000,000.00
May 12, 1944	303	Joint Resolution (Labor Department—maternity and infant care)	6,700,000.00	
June 22, 1944	347	Naval Appropriation Act, 1945	1,451,840.00	
June 26, 1944	352	War Department Civil Appropriation Act, 1945	6,886,008,943.00	5,074,931,400.00
June 27, 1944	358	Independent Offices Appropriation Act, 1945	47,585,000.00	
June 28, 1944	365	Departments of State, Justice, and Commerce Appropriation Act, 1945	30,700,000.00	1,208,168,571.00
June 28, 1944	367	Department of Agriculture Appropriation Act, 1945	18,114,200.00	
June 28, 1944	369	Interior Department Appropriation Act, 1945	1,030,637,242.00	
June 28, 1944	372	National War Agency Appropriation Act, 1945	218,611,829.00	2,500,000.00
June 28, 1944	373	Labor—Federal Security Appropriation Act, 1945	15,434,814,705.00	
June 28, 1944	374	Military Appropriation Act, 1945	11,186,206,524.40	1,855,000,000.00
June 28, 1944	375	Second Deficiency Appropriation Act, 1944	3,450,570,000.00	
June 30, 1944	382	Defense Aid Appropriation Act, 1945	450,000,000.00	
June 30, 1944	382	United Nations Relief and Rehabilitation Administration Participation Appropriation Act, 1945	19,750,000.00	
June 30, 1944	382	Foreign Economic Administration Appropriation Act, 1945		
Total, 78th Congress, Second Session			55,592,888,954.47	8,210,599,974.00



## SUMMARY

Total, 76th Congress, Third Session.....	\$8,994,015,928.00	\$678,400,000.00
Total, 77th Congress, First Session.....	49,396,437,450.00	2,350,000,000.00
Total, 77th Congress, Second Session.....	130,736,203,987.94	4,620,584,402.00
Total, 78th Congress, First Session.....	105,916,492,320.82	8,210,599,974.00
Total, 78th Congress, Second Session.....	55,502,888,954.47	
Permanent appropriations and net transfers from other than war activities appropriations <sup>12</sup> .....	226,900,524.13	
Total approved.....	359,772,930,063.36	15,865,584,376.00
Liquidation of 1940 and prior contract authorizations.....	-467,872,846.00	
Total approved appropriations and net contract authorizations, exclusive of Reconstruction Finance Corporation.....	13 359,305,066,219.36	14 15,865,584,376.00

<sup>1</sup> Consists of appropriations and net contract authorizations available on and after July 1, 1940. Excludes (1) authorizations of the Reconstruction Finance Corporation and its affiliates for war purposes, and (2) unexpended balances of appropriations on June 30, 1940 (except immediately available funds from fiscal year 1941 appropriations).

<sup>2</sup> Contract authorizations have been reduced by later appropriations which were earmarked in authorizing acts for this purpose.

<sup>3</sup> Public resolution number.

<sup>4</sup> Represents the net amount of contractual authority that the President may authorize the head of any department or agency of the Government to enter into for the procurement of defense articles, information or services for the government of any country whose defense the President deems vital to the defense of the United States.

<sup>5</sup> Includes \$9,693,525,500 appropriated for the fiscal year 1942.

<sup>6</sup> Unappropriated contract authorizations for the naval expansion program are as follows:

<sup>7</sup> Includes \$650,000 for the fiscal year 1941 and \$209,440,000 for the fiscal year 1943, of which \$40,000 was made immediately available.

<sup>8</sup> Includes \$7,551,460 appropriated for the fiscal year 1942.

<sup>9</sup> Includes \$30,000,000 for the fiscal year 1942 and \$172,433,000 for the fiscal year 1943.

<sup>10</sup> Includes \$1,081,000,000 for the fiscal year 1944.

<sup>11</sup> Includes \$184,832,448 for the fiscal year 1945.

<sup>12</sup> Includes actual transfer of balances of the Bureau of Marine Inspection and Navigation from the Department of Commerce to Coast Guard, Navy, in the amount of \$1,153,802 in accordance with Executive Order No. 9083, dated February 28, 1942. Also includes \$1,611,332.05 received as war contributions under authority of the Second War Powers Act and deposits of advance payments made by foreign governments to the Defense Aid special fund for the procurement of defense articles amounting to \$69,211,328.24.

<sup>13</sup> Total appropriations differ from amount shown in the daily Treasury statement for July 13, 1944, in order to reflect \$88,299,000 appropriated in Public Law 382, approved June 30, 1944.

<sup>14</sup> Total unappropriated contract authorizations differ from amount shown in the daily Treasury statement for July 15, 1944, in order to reflect the latest revised estimates of the Navy Department and U. S. Maritime Commission as of June 30, 1944.

Date approved	Public Law No.	Amount
Feb. 7, 1942	441	(Estimated by Navy Department)..... \$2,171,000,000
June 26, 1943	492	(Estimated by Navy Department)..... 947,134,522
Dec. 17, 1943	204	(Estimated by Navy Department)..... 3,650,449,880
June 28, 1944	375	(Estimated by Navy Department)..... 55,000,000
Do.....	375	(Estimated by Navy Department)..... 1,800,000,000
		Total..... 8,623,584,402

TABLE 19.—Appropriations, contract authorizations, and expenditures under the war activities program, July 1, 1940, through June 30, 1944<sup>1</sup>  
[In millions of dollars]

Organization	Appropriations <sup>2</sup>						Contract authorizations (net) <sup>3</sup>					Total appro- priations and net contract authori- zations	Expenditures (daily Treasury state- ment basis)				
	Fiscal year 1941	Fiscal year 1942	Fiscal year 1943	Fiscal year 1944	Fiscal year 1945	Total	Fiscal year 1942	Fiscal year 1943	Fiscal year 1944	Fiscal year 1945	Total		Fiscal year 1941	Fiscal year 1942	Fiscal year 1943	Fiscal year 1944	Total
War Department.....	412,001	78,402	42,217	58,826	15,436	206,881											
Navy Department.....	4,488	20,823	24,029	29,305	26,189	105,134											
Agriculture Department.....	93	1,790	2,502	2,165	31	6,580											
Federal Security Agency:																	
Office of Education:																	
Other.....	76	131	156	131	16	509											
	3	14	16	67	76	176											
Federal Works Agency:																	
Public Roads Administration.....		83	49	88	54	274	28	35	30		93						
Public works (community facilities).....		300	18	165		483					483						
Other.....		38	6	83		42					42						
National Housing Agency.....	7,344	548	626	157		1,676					1,676	45	297	608	539	1,489	
Selective Service (administrative expenses).....	25	37	56	70	63	251					251	18	33	52	59	162	
Treasury Department.....	321	1,481	2,260	890		4,952					4,952	24	519	1,201	1,432	3,176	
United States Maritime Commission.....	1,077	2,763	4,603	1,288	6,766	16,497					17,705	51	929	2,776	3,812	7,568	
War Shipping Administration.....		701	2,396	3,362	530	6,990					6,990		132	1,105	1,922	3,159	
Aid to China.....		500				500					500		200	40	240		
Other:																	
Commerce Department.....	89	199	283	32		604					604	30	122	137	133	422	
Executive Office: <sup>4</sup>																	
Office for Emergency Management.....	70	339	573	661	585	2,228	9,600				2,844	10,47	10,117	11,350	421	991	
Other.....	1,882	2,547	1,906	4,540	4,083	13,518			14	3	5,178	14,6	14,14	16,136	243	400	
Justice Department.....	8	22	33	46	41	150					150	6	18	34	43	101	
Panama Canal.....																	
Smaller War Plants Corporation—capital	15	35	57			107					107	10	28	29	6	73	
Stock.....				150		150					150						
Other.....	12	83	81	110	126	412					412	8	39	92	82	16,221	
Unclassified expenditures.....																4	5
Total war activities program, including appropriations for liquidation of 1940 and prior contract authorizations.....	20,502	110,837	81,318	92,821	54,295	359,773	2,999	35	4,691	8,141	15,866	6,301	26,011	72,109	87,039	191,460	
Liquidation of 1940 and prior contract authori- zations.....	-360	-108				-468											
Total war activities program, exclusive of Reconstruction Finance Corpora- tion and its affiliates.....	20,143	110,728	81,318	92,821	54,295	359,305	2,999	35	4,691	8,141	15,866	6,301	26,011	72,109	87,039	191,460	

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>a</sup> Excess of credit (deduct).

<sup>1</sup> Commitments, receipts, and disbursements of the Reconstruction Finance Corporation and its affiliates are shown in table 21, p. 604.

<sup>2</sup> In many instances funds appropriated during any fiscal year are also available for the succeeding fiscal year. Immediately available funds are shown in the fiscal year for which the appropriation was made. This statement excludes unexpended balances of appropriations on June 30, 1940 (except immediately available funds in fiscal year 1941 appropriations), which were available for expenditure in the fiscal year 1941. Allocations from appropriations made to the President (lend-lease and emergency funds for the President) are shown under the departments or agencies to which allocated. This statement has been revised to reflect (a) emergency fund allocations in the fiscal year in which the allocations were made rather than the fiscal year in which the appropriations were originally made, and (b) interagency transfers between allocation accounts not heretofore effected.

<sup>3</sup> Contract authorizations have been reduced by later appropriations which were earmarked in authorizing acts for this purpose. Unappropriated contract authorizations differ from amounts reflected in the daily Treasury statement for July 15, 1944, in order to reflect the latest revised estimates of the Navy Department and U. S. Maritime Commission, as of June 30, 1944.

<sup>4</sup> Excludes \$44,593,500 transferred to the Office of the Administrator, National Housing Agency, authorized in act of October 14, 1940. See note 7.

<sup>5</sup> Excludes expenditures for Selective Service (administrative expenses) reflected separately below.

<sup>6</sup> Includes \$847,134,522 in estimated requirements of the naval expansion program for tonnage provided in Public Law 92, approved June 26, 1942; \$3,650,449,880 for tonnage provided in Public Law 204, approved December 17, 1943; and \$1,800,000,000 for tonnage provided in Public Law 375, approved June 28, 1944. See also note 3.

<sup>7</sup> Includes an allotment of \$44,593,500 made from the President's emergency fund to the War Department, and subsequently transferred and merged with regular funds of the Office of Administrator, National Housing Agency.

<sup>8</sup> Totals shown in this statement under Executive Office, for "Office for Emergency Management" and "Other" differ from those shown in the daily Treasury statement for July 15, 1944, in order to reflect \$88,299,000 appropriated in Public Law 382, approved June 30, 1944, but not included in daily Treasury statements until August 15, 1944. In addition, amounts appropriated for lend-lease for the fiscal year 1945, and reflected under the classification "Office for Emergency Management" in the daily Treasury statement for July 15, 1944, have been revised to show these amounts under the caption "Other."

<sup>9</sup> Represents the net amount of contractual authority that the President may authorize the head of any department or agency of the Government to enter into for the procurement of defense articles, information or services for the government of any country whose defense the President deems vital to the defense of the United States. Of this amount, \$34,000,000 has been made available to the Treasury Department (Procurement Division).  
<sup>10</sup> Expenditures relating to "Emergency funds for the President" and "Lend-lease funds" for the fiscal years 1941 and 1942 are reflected under "Other; Executive Office; Other."

<sup>11</sup> The Office for Emergency Management includes adjustments for the fiscal years 1942 and 1943 to cover expenditures for the Office of Government Reports formerly classified under the caption "Departmental," and classified herein as war activities. Also included are expenditures for the National Youth Administration, Training Within Industry, Apprentice Training Service, and the United States Employment Service, which were transferred by Executive Order 9247, dated September 17, 1942, from the Federal Security Agency to the War Manpower Commission in the Office for Emergency Management. In addition, adjustment is made for the fiscal year 1943 to cover expenditures of the Council of National Defense formerly classified under the caption "War activities; Other; Other."

<sup>12</sup> Deduct. Reflects allocations to various agencies in the fiscal year 1944 of amounts appropriated in previous years.

<sup>13</sup> Includes unallocated balances of the President's emergency funds amounting to \$7,115,941.21 and lend-lease balances amounting to \$800,845,587.69. In addition, Public Law 382, approved June 30, 1944, makes available for lend-lease \$3,450,570,000 in direct appropriations and \$88,299,000 in appropriated receipts. See also note 8.

<sup>14</sup> Includes expenditures of the Office for Emergency Management from "Emergency funds for the President" and "Lend-lease funds."

<sup>15</sup> Includes adjustment for the fiscal year 1943 to cover expenditures of the Board of Economic Warfare and Office of Censorship formerly classified under the caption "War activities; Other; Other."

<sup>16</sup> Includes expenditures of the Defense Aid special fund through the fiscal year 1943; beginning with the fiscal year 1944 such expenditures are reflected within the respective departments.

<sup>17</sup> Total appropriations differ from amount shown in the daily Treasury statement for July 15, 1944, in order to reflect \$88,299,000 appropriated in Public Law 382, approved June 30, 1944, but not shown in daily Treasury statements until August 15, 1944.

TABLE 20.—Expenditures for war activities, by departments and agencies and by fiscal years 1933 through 1944 and months from July 1940 through June 1944<sup>1</sup>

[In millions of dollars. General and special accounts. On basis of daily Treasury statements, see p. 519]

Period	Total	War Department	Navy Department	Miscellaneous war activities							United States Maritime Commission	War Shipping Administration	Aid to China
				Total miscellaneous activities	Agriculture Department	Federal Security Agency	Federal Works Agency	National Housing Agency	Selective Service (administrative)	Treasury Department			
By fiscal years:													
1933.....	680	302	350	29	—	—	—	—	—	—	29	—	—
1934.....	531	243	297	-10	—	—	—	—	—	—	-10	—	—
1935.....	531	273	436	-21	—	—	—	—	—	—	-21	—	—
1936.....	900	383	529	-12	—	—	—	—	—	—	-12	—	—
1937.....	929	378	557	-6	—	—	—	—	—	—	-6	—	—
1938.....	1,029	432	596	1	—	—	—	—	—	—	1	—	—
1939.....	1,206	490	673	44	—	—	—	—	—	—	44	—	—
1940.....	1,657	667	892	99	—	—	—	—	—	—	99	—	—
1941.....	6,301	3,678	2,313	310	3	62	—	45	18	24	51	—	108
1942.....	26,011	14,070	8,580	3,362	696	111	62	297	33	519	929	132	382
1943.....	72,109	42,265	20,888	8,955	2,011	153	215	608	52	1,201	2,776	1,103	735
1944.....	87,039	43,242	26,538	11,259	2,143	133	228	539	59	1,432	3,812	1,922	991
By months:													
1940—July.....	199	79	102	17	—	3	—	—	—	1	8	—	3
August.....	223	91	111	20	—	2	—	—	—	2	11	—	5
September.....	241	82	140	19	—	1	—	—	—	5	6	—	7
October.....	311	137	154	21	—	2	—	—	(*)	1	10	—	8
November.....	393	206	173	15	—	3	—	—	—	(*)	3	—	8
December.....	495	290	184	21	—	10	—	(*)	1	3	-3	—	8
1941—January.....	559	350	223	16	—	6	—	(*)	2	2	-4	—	9
February.....	610	408	181	20	—	12	—	(*)	3	2	-9	—	13
March.....	763	548	196	25	—	7	—	—	3	1	3	—	10
April.....	782	522	233	28	(*)	6	—	1	3	1	4	—	10
May.....	857	465	352	39	—	6	—	3	2	3	8	—	11
June.....	832	500	263	70	1	3	—	33	2	4	14	—	13
July.....	969	516	362	91	5	3	—	21	2	7	41	—	12
August.....	1,131	598	441	93	19	27	(*)	26	2	—	-6	—	15
September.....	1,330	746	424	160	37	13	(*)	30	2	16	46	—	16
October.....	1,537	834	497	205	66	8	—	39	2	24	44	—	22
November.....	1,448	771	493	185	41	6	—	29	2	29	57	—	27
December.....	1,850	1,072	545	233	43	7	4	29	2	52	69	—	28

1942—January.....	2,104	1,282	575	247	63	7	4	27	2	35	86	24
February.....	2,208	1,369	581	258	53	9	10	19	4	42	95	26
March.....	2,809	1,432	946	430	105	8	10	18	3	63	121	86
April.....	3,238	1,594	1,101	543	65	7	14	22	3	63	98	29
May.....	3,560	1,850	1,307	402	80	8	10	17	4	83	130	37
June.....	3,829	2,007	1,309	513	119	8	8	21	4	99	150	66
July.....	4,498	2,861	1,103	534	90	28	12	26	4	95	184	42
August.....	4,884	2,876	1,376	633	61	13	17	42	4	110	211	76
September.....	5,381	3,519	1,294	572	94	4	13	45	3	102	141	56
October.....	5,481	3,417	1,596	467	51	21	17	48	5	110	46	60
November.....	6,042	3,538	1,478	433	433	16	15	50	2	85	274	68
December.....	5,825	3,770	1,380	676	21	6	19	50	5	83	275	88
1943—January.....	5,947	4,053	1,274	620	18	12	17	44	3	95	331	18
February.....	5,770	3,239	2,002	528	12	12	12	39	5	79	223	59
March.....	6,744	3,985	2,053	705	17	17	17	55	5	103	285	98
April.....	6,974	3,727	2,102	1,145	514	21	15	61	6	120	248	92
May.....	7,092	3,857	2,251	984	382	11	26	77	5	106	243	51
June.....	7,469	3,424	2,980	1,065	318	4	33	70	5	117	315	86
July.....	6,432	3,808	1,898	726	12	8	24	72	5	95	319	85
August.....	7,232	4,219	2,037	976	180	16	27	68	5	118	361	81
September.....	6,952	4,036	1,909	1,007	239	11	24	50	5	114	366	69
October.....	6,989	4,142	1,955	892	176	24	25	54	5	100	204	69
November.....	7,541	4,173	2,134	1,235	332	14	19	44	5	111	402	91
December.....	6,718	3,841	2,030	827	45	6	21	39	5	108	336	82
1944—January.....	7,138	4,170	2,082	886	140	9	18	42	4	125	308	87
February.....	7,518	3,732	2,757	969	184	16	17	38	5	127	331	82
March.....	7,726	4,461	2,281	983	188	8	16	38	3	97	386	82
April.....	7,346	4,160	2,262	924	224	9	11	35	5	130	273	90
May.....	7,879	4,334	2,536	1,010	205	7	7	31	6	118	364	81
June.....	7,567	4,106	2,636	825	219	5	21	28	7	188	51	106

NOTE.—Figures are rounded and will not necessarily add to totals.

\* Less than \$500,000.

1 This table does not include war activities expenditures paid from corporate funds.

2 Includes emergency ship construction, beginning March 1941.

3 Includes war expenditures of Commerce, Justice, Interior, Labor, and State Departments; Civil Service Commission; Executive Office of the President (including Office for Emergency Management); Panama Canal; capital stock of Smaller War Plants Corporation; and Defense Aid special fund. Includes Defense Aid special fund through 1943; beginning with the fiscal year 1944 such expenditures are reflected within the respective departments.



## PUBLIC DEBT

## Public debt outstanding

TABLE 22.—*Description of the public debt issues outstanding June 30, 1944*

[On basis of daily Treasury statements, adjusted to Public Debt accounts, see p. 519]

Title of loan and rate of Interest	Author- izing act	Tax ex- emp- tions	Date of loan	When redeemable or payable	Interest pay- ment date	Average price received	Amount issued	Amount retired	Amount out- standing	
Interest-bearing debt										
PUBLIC ISSUES										
	Bonds: 3% Panama Canal loan of 1961. 3% Conversion bonds of 1946.	(1) (2)	(a) (a)	June 1, 1911..... Jan. 1, 1916.....	On June 1, 1961..... On Jan. 1, 1946.....	Mar. 1, June 1, Sept. 1, Dec. 1, Jan. 1, Apr. 1, July 1, Oct. 1, do.....	\$102.582..... Exchange at par..... do.....	\$50,000,000.00 15,761,000.00 13,133,500.00 117,235,180.00	\$200,000.00 ----- ----- 2,820.00	\$49,800,000.00 15,761,000.00 13,133,500.00 117,232,360.00
	3% Conversion bonds of 1947. 2½% Postal savings bonds (27th to 49th series).	(2) (3)	(a) (a)	Jan. 1, 1917..... Jan. 1, July 1, 1924-35.....	On Jan. 1, 1947..... On and after 1 year; 20 years from issue.	do..... Jan. 1, July 1.....	do..... Par.....	----- -----	----- -----	----- -----
	Total postal savings bonds, etc.									195,926,860.00
	Treasury bonds: 4¼% of 1947-52.....	(4)	(b)	Oct. 16, 1922.....	On and after Oct. 15, 1947; on Oct. 15, 1952.....	Apr. 15, Oct. 15.....	Par..... (Exchange at par.....)	511,864,000.00 252,098,300.00 763,962,300.00	----- ----- 5,016,500.00	----- ----- 758,945,800.00
	4% of 1944-54.....	(4)	(b)	Dec. 15, 1924.....	On and after Dec. 15, 1944; on Dec. 15, 1954.....	June 15, Dec. 15.....	Par..... (Exchange at par..... \$100.50.....)	224,513,500.00 532,420,300.00 290,154,700.00 1,047,088,500.00	----- ----- ----- 10,396,100.00	----- ----- ----- 1,036,692,400.00
	3¾% of 1946-56.....	(4)	(b)	Mar. 15, 1926.....	On and after Mar. 15, 1946; on Mar. 15, 1956.....	Mar. 15, Sept. 15.....	\$100.50.....	494,898,100.00	5,815,000.00	489,080,100.00
	3½% of 1946-49.....	(4)	(b)	June 15, 1931.....	On and after June 15, 1946; on June 15, 1949.....	June 15, Dec. 15.....	Par.....	\$21,406,000.00	2,779,000.00	818,627,000.00

Footnotes at end of table.





2 3/4 % of 1950-59.....	(4)	(4)	Sept. 15, 1936.....	On and after Sept. 15, 1936; on Sept. 15, 1939.	Mar. 15, Sept. 15, 1939.	Par.....	981,848,050.00	22,000.00	981,826,050.00
2 1/2 % of 1949-53.....	(4)	(4)	Dec. 15, 1936.....	On and after Dec. 15, 1949; on Dec. 15, 1953.	June 15, Dec. 15, 1953.	{ do ..... { Exchange at par.	1,006,641,950.00 779,862,100.00 1,786,504,050.00	377,100.00	1,786,126,950.00
2 1/2 % of 1945.....	(4)	(4)	Dec. 15, 1937.....	On Dec. 15, 1945.....	June 15, Dec. 15, 1953.	{ Par ..... { Exchange at par.	293,513,250.00 247,330,300.00 540,843,550.00		540,843,550.00
2 1/2 % of 1948.....	(4)	(4)	Mar. 15, 1938.....	On Sept. 15, 1948.....	Mar. 15, Sept. 15, 1953.	Par.....	450,978,400.00		450,978,400.00
2 3/4 % of 1958-63.....	(4)	(4)	June 15, 1938.....	On and after June 15, 1958; on June 15, 1963.	June 15, Dec. 15, 1963.	{ do ..... { Exchange at par.	571,736,200.00 347,044,400.00 918,780,600.00		918,780,600.00
2 1/2 % of 1950-52.....	(4)	(4)	Sept. 15, 1938.....	On and after Sept. 15, 1950; on Sept. 15, 1952.	Mar. 15, Sept. 15, 1952.	{ Par ..... { Exchange at par. { Exchange at \$102.50.	461,690,100.00 404,707,100.00 319,441,500.00	500.00	1,185,841,200.00
2 3/4 % of 1960-65.....	(4)	(4)	Dec. 15, 1938.....	On and after Dec. 15, 1960; on Dec. 15, 1965.	June 15, Dec. 15, 1965.	{ Par ..... { Exchange at par. { Exchange at \$102.375.	1,185,841,700.00 402,892,800.00 188,196,700.00 894,295,600.00	500.00	1,485,385,100.00
2 % of 1917.....	(4)	(4)	do.....	On Dec. 15, 1947.....	do.....	Exchange at par.	701,074,900.00	2,000.00	701,072,900.00
2 % of 1948-50 (dated Dec. 8, 1939).....	(4)	(4)	Dec. 8, 1939.....	On and after Dec. 15, 1948; on Dec. 15, 1950.	do.....	Par.....	571,431,150.00		571,431,150.00
2 3/4 % of 1951-53.....	(4)	(4)	Dec. 22, 1939.....	On and after Dec. 15, 1951; on Dec. 15, 1953.	do.....	{ do ..... { Exchange at par.	100,000,000.00 1,018,051,100.00		
2 1/4 % of 1954-56.....	(4)	(4)	July 22, 1940.....	On and after June 15, 1954; on June 15, 1956.	do.....	Par.....	1,118,051,100.00		1,118,051,100.00
2 % of 1953-55.....	(4)	(4)	Oct. 7, 1940.....	On and after June 15, 1953; on June 15, 1955.	do.....	Exchange at par.	680,692,350.00		680,692,350.00
							724,677,900.00		724,677,900.00

Footnotes at end of table.

TABLE 22.—Description of the public debt issues outstanding June 30, 1944—Continued

Title of loan and rate of interest	Authorizing act	Tax exemptions	Date of loan	When redeemable or payable	Interest payment date	Average price received	Amount issued	Amount retired	Amount outstanding
Interest-bearing debt—Continued									
PUBLIC ISSUES—Con. Bonds—Continued. Treasury bonds—Con. 2% of 1948-50 (dated Mar. 15, 1941).	(4)	(c)	Mar. 15, 1941	On and after Mar. 15, 1948; on Mar. 15, 1950.	Mar. 15, Sept. 15.	Exchange at par.	\$1,115,368,400.00		\$1,115,368,400.00
	(4)	(c)	Mar. 31, 1941	On and after Mar. 15, 1952; on Mar. 15, 1954.	do.	{ Par. { Exchange at par.	576,145,150.00 447,423,200.00		
2½% of 1952-54	(4)	(c)	June 2, 1941	On and after Mar. 15, 1956; on Mar. 15, 1958.	do.	{ Par. { Exchange at par.	1,023,568,350.00		1,023,568,350.00
2½% of 1956-58	(4)	(c)	Oct. 20, 1941	On and after Sept. 15, 1967; on Sept. 15, 1972.	do.	{ Par. { Exchange at par.	661,750,800.00 786,996,850.00		1,448,747,650.00
2½% of 1967-72	(4)	(c)	Dec. 15, 1941	On and after Dec. 15, 1951; on Dec. 15, 1955.	June 15, Dec. 15.	Par.	2,527,073,950.00 188,971,200.00	\$22,274,000.00	2,716,045,150.00
2% of 1949-51 (dated Jan. 15, 1942).	(4)	(c)	Jan. 15, 1942	On and after June 15, 1949; on June 15, 1951.	do.	{ do { Exchange at par.	532,687,950.00		510,413,950.00
2¼% of 1952-55	(4)	(c)	Feb. 25, 1942	On and after June 15, 1952; on June 15, 1955.	do.	Par.	607,631,200.00 406,387,700.00		1,014,018,900.00
2½% of 1962-67	(4)	(c)	May 5, 1942	On and after June 15, 1962 <sup>14</sup> ; on June 15, 1967.	do.	do.	1,014,018,900.00 1,510,795,300.00	10,014,000.00	1,500,781,300.00
							2,118,164,500.00	11,000.00	2,118,153,500.00

2% of 1949-51 (dated May 15, 1942).	(*)	(*)	(*)	May 15, 1942	On and after Sept. 15, 1949; on Sept. 15, 1951.	Mar. 15, Sept. 15.	do.	1,292,444,100.00	1,292,444,160.00
2% of 1949-51 (dated July 15, 1942).	(*)	(*)	(*)	July 15, 1942	On and after Dec. 15, 1949; on Dec. 15, 1951.	June 15, Dec. 15.	do.	2,097,617,000.00	2,097,617,600.00
2% of 1950-52 (dated Oct. 19, 1942).	(*)	(*)	(*)	Oct. 19, 1942	On and after Mar. 15, 1950; on Mar. 15, 1952.	Mar. 15, Sept. 15.	do.	1,962,688,300.00	1,962,688,300.00
1 3/4% of 1948.	(*)	(*)	(*)	Dec. 1, 1942	On June 15, 1948.	June 15, Dec. 15.	do.	3,061,856,000.00	3,061,856,000.00
2 1/2% of 1953-68.	(*)	(*)	(*)	do.	On and after Dec. 15, 1953; on Dec. 15, 1958.	do.	do.	2,830,914,000.00	2,830,889,000.00
2% of 1950-52 (dated Apr. 15, 1943).	(*)	(*)	(*)	Apr. 15, 1943	On and after Sept. 15, 1950; on Sept. 15, 1952.	Mar. 15, Sept. 15.	do.	4,939,261,000.00	4,939,261,000.00
2 1/2% of 1964-69 (dated Apr. 15, 1943).	(*)	(*)	(*)	do.	On and after June 15, 1964; on June 15, 1969.	June 15, Dec. 15.	do.	3,761,904,000.00	3,761,904,000.00
2% of 1951-53.	(*)	(*)	(*)	Sept. 15, 1943.	On and after Sept. 15, 1951; on Sept. 15, 1953.	Mar. 15, Sept. 15.	{ do. (Exchange at par.	6,884,359,000.00 1,101,903,500.00	
2 1/2% of 1964-69 (dated Sept. 15, 1943).	(*)	(*)	(*)	do.	On and after Dec. 15, 1964; on Dec. 15, 1969.	June 15, Dec. 15.	{ Par (Exchange at par.	7,986,262,500.00 3,778,754,000.00 59,444,000.00	7,986,262,500.00
2 1/4% of 1956-59.	(*)	(*)	(*)	Feb. 1, 1944.	On and after Sept. 15, 1956; on Sept. 15, 1959.	Mar. 15, Sept. 15.	{ Par (Exchange at par.	3,838,198,000.00 3,727,687,000.00 94,871,500.00	3,838,198,000.00
2 1/2% of 1965-70.	(*)	(*)	(*)	do.	do.	do.	Par.	3,822,558,500.00	3,822,558,500.00
2 1/2% of 1965-70 (additional issue).	(*)	(*)	(*)	June 26, 1944.	do.	do.	do.	2,212,173,000.00	2,212,173,000.00
2% of 1952-54.	(*)	(*)	(*)	do.	On and after June 15, 1952; on June 15, 1954.	June 15, Dec. 15.	do.	2,577,056,000.00	2,577,056,000.00
Total Treasury bonds.								4,206,663,500.00	4,206,663,500.00
								79,244,104,350.00	79,244,104,350.00

Footnotes at end of table.

TABLE 22.—Description of the public debt issues outstanding June 30, 1944—Continued

Title of loan and rate of interest	Authorizing act	Tax exemptions	Date of loan	When redeemable or payable	Interest payment date	Average price received	Amount issued	Amount retired	Amount outstanding
Interest-bearing debt—Continued									
PUBLIC ISSUES—Con.  Bonds—Continued. United States savings bonds B—series and approximate yield to maturity (%): A-1935—2.90	(1)	(b)	Various dates from Mar. 1, 1935.	After 60 days from issue date, on demand at option of owner; 10 years from issue date.	Sold at a discount; payable at par on maturity.	\$75.00	\$245,969,605.50	\$66,974,909.50	\$178,994,696.00
	(1)	(b)	Various dates from Jan. 1, 1936.	do	do	\$75.00	431,903,645.84	113,264,372.84	318,639,273.00
	(1)	(b)	Various dates from Jan. 1, 1937.	do	do	\$75.00	534,076,512.25	128,105,044.25	405,971,468.00
	(1)	(b)	Various dates from Jan. 1, 1938.	do	do	\$75.00	605,751,345.50	118,089,686.75	487,661,658.75
	(1)	(b)	Various dates from Jan. 1, 1939.	do	do	\$75.00	948,567,462.25	148,106,487.25	800,460,975.00
	(1)	(b)	Various dates from Jan. 1, 1940.	do	do	\$75.00	1,130,072,575.50	140,073,964.50	989,998,611.00
	(1)	(b)	Various dates from Jan. 1, to Feb. 28, 1941.	do	do	\$75.00	361,839,578.50	29,962,759.75	331,876,818.75
	(1)	(c)	Various dates from Mar. 1 to Apr. 30, 1941.	do	do	\$75.00	125,070,154.00	13,897,028.25	111,173,125.75
	(1)	(c)	Various dates from May 1, 1941.	do	do	\$75.00	1,373,553,544.59	132,773,904.42	1,240,779,640.17
	(1)	(c)	do	After 6 months from issue date, on demand at option of owner; 12 years from issue date.	do	\$74.00	236,660,049.13	17,360,678.39	219,299,370.74
G-1941—2.50	(1)	(c)	do	After 60 days from issue date, on demand at option of owner; 10 years from issue date.	Semiannually.	Par	1,277,232,500.00	59,962,600.00	1,217,269,900.00
E-1942—2.90	(1)	(c)	Various dates from Jan. 1, 1942.	do	Sold at a discount; payable at par on maturity.	\$75.00	6,297,193,413.11	946,258,359.74	5,350,937,053.37

F-1942-2.53	(4)	(c)	do.	After 6 months from issue date, on demand at option of owner; 12 years from issue date.	do.	\$74.00	do.	655,896,738.27	38,218,349.94	617,678,388.33
G-1942-2.50	(4)	(c)	do.	After 60 days from issue date, on demand at option of owner; 10 years from issue date.	Semiannually	Par	Sold at a discount; payable at par on maturity.	2,492,933,700.00	91,518,000.00	2,401,475,100.00
E-1943-2.90	(4)	(c)	Various dates from Jan. 1, 1943.	do.	do.	\$75.00	do.	10,427,865,660.11	1,521,684,801.75	8,906,240,858.36
F-1943-2.53	(4)	(c)	do.	After 6 months from issue date, on demand at option of owner; 12 years from issue date.	do.	\$74.00	do.	730,887,956.40	21,359,783.70	709,528,172.70
G-1943-2.50	(4)	(c)	do.	After 60 days from issue date, on demand at option of owner; 10 years from issue date.	Semiannually	Par	Sold at a discount; payable at par on maturity.	2,597,838,700.00	47,734,100.00	2,550,104,600.00
E-1944-2.90	(4)	(c)	Various dates from Jan. 1, 1944.	do.	do.	\$75.00	do.	5,714,707,768.75	247,847,762.50	5,466,860,006.25
F-1944-2.53	(4)	(c)	do.	After 6 months from issue date, on demand at option of owner; 12 years from issue date.	do.	\$74.00	do.	449,856,330.00	655,029.50	449,201,300.50
G-1944-2.50	(4)	(c)	do.	After 60 days from issue date, on demand at option of owner; 10 years from issue date.	Semiannually	Par	Sold at a discount; payable at par on maturity.	1,693,665,600.00	1,681,800.00	1,691,953,800.00
Unclassified sales—2.90			Various	do.	do.	\$75.00	do.	100,006,367.92		100,006,367.92
Total United States savings bonds.										34,606,141,134.59
2% Depository bonds:										
First Series	(4)	(c)	Various dates from June 28, 1941.	Any time upon 30 to 60 days' notice, on demand at option of owner; 12 years from issue date.	June 1, Dec. 1	Par	do.	411,938,750.00	26,878,000.00	385,060,750.00
Second Series	(4)	(c)	Various dates from Sept. 10, 1943.	do.	Jan. 1, July 1	do.	do.	99,893,000.00	10,632,000.00	89,261,000.00
Total depository bonds										474,321,750.00

Footnotes at end of table.



(4)	(c)	Various dates from Sept. 14, 1942.	Redeemable in pay- ment of Federal in- come, estate or gift taxes after one full calendar month has elapsed between month notes were purchased and month in which tendered for taxes. Redeemable for cash at any time at op- tion of owner.	Interest is pay- able with prin- cipal at time of redemption. No interest will accrue after maturity, Sept. 1, 1945.	Par and accrued interest.	322,215,700.00	213,193,950.00	109,021,750.00
Savings series and interest rate: C-1945—1.07% (approx- imate yield if held to ma- turity). C-1946—1.07% (approx- imate yield if held to ma- turity). C-1947—1.07% (approx- imate yield if held to maturity).	(4)	do.....	Redeemable in pay- ment of Federal in- come, estate, or gift taxes after one full calendar month has elapsed between month notes were pur- chased and month in which tendered for taxes. Redeema- ble for cash at any time at option of owner during and after the sixth cal- endar month after (as shown on the face of each note) on 30 days' advance notice.	Interest is pay- able with prin- cipal at time of redemption. No interest is payable if note is inscribed in the name of a bank that ac- cepts demand deposits; un- less note is ac- quired by such bank through for- feiture of a loan.	do.....	3,749,558,000.00	2,192,717,200.00	1,556,840,800.00
	(4)	Various dates from Jan. 1, 1943.			do.....	7,961,046,600.00	3,877,226,400.00	4,083,820,200.00
	(4)	Various dates from Jan. 1, 1944.			do.....	4,789,802,900.00	982,726,300.00	3,807,076,600.00
Total savings series notes.								9,447,737,600.00
Total Treasury notes								26,961,656,150.00
Certificates of indebtedness: 3% D-1944.....	(4)	Aug. 2, 1943.	On Aug. 1, 1944.	Feb. 1 and Aug. 1.	(Par..... {Exchange at par.	989,099,000.00 1,556,293,000.00		2,545,392,000.00
						2,545,392,000.00		

Footnotes at end of table.

TABLE 22.—Description of the public debt issues outstanding June 30, 1944—Continued

Title of loan and rate of interest	Authorizing act	Tax exemptions	Date of loan	When redeemable or payable	Interest payment date	Average price received	Amount issued	Amount retired	Amount outstanding
PUBLIC ISSUES—Con.									
Certificates of Indebtedness—Continued.									
7½% E-1944.....	(4)	(c)	Sept. 15, 1943.....	On Sept. 1, 1944.....	Mar. 1 and Sept. 1.	Par.....	\$4,121,783,000.00		\$4,121,783,000.00
7½% F-1944.....	(4)	(c)	Oct. 15, 1943.....	On Oct. 1, 1944.....	Apr. 1 and Oct. 1.	(Par.....) (Exchange at par.)	<u>1,580,067,000.00</u> <u>1,938,980,000.00</u>		
7½% G-1944.....	(4)	(c)	Dec. 1, 1943.....	On Dec. 1, 1944.....	June 1 and Dec. 1.	do.....	<u>3,519,047,000.00</u> <u>3,539,755,000.00</u>		3,519,047,000.00
7½% A-1945.....	(4)	(c)	Feb. 1, 1944.....	On Feb. 1, 1945.....	Aug. 1 and Feb. 1.	Par.....	5,048,179,000.00		5,048,179,000.00
7½% B-1945.....	(4)	(c)	Apr. 1, 1944.....	On Apr. 1, 1945.....	Oct. 1 and Apr. 1.	Exchange at par.	4,876,729,000.00		4,876,729,000.00
7½% C-1945.....	(4)	(c)	June 26, 1944.....	On June 1, 1945.....	Dec. 1 and June 1.	Par.....	3,556,790,000.00		3,556,790,000.00
7½% D-1945.....	(4)	(c)	May 1, 1944.....	On May 1, 1945.....	Nov. 1 and May 1.	Exchange at par.	1,614,741,000.00		1,614,741,000.00
Total certificates of indebtedness.....									
Treasury bills—series maturing and approximate yield to maturity (%) as follows:									
July 6, 1944—0.375.....	(4)	(c)	Apr. 6, 1944.....	On July 6, 1944.....	Sold at a discount; payable at par on maturity.	\$99.905.....	1,007,677,000.00		1,007,677,000.00
July 13, 1944—0.375.....	(4)	(c)	Apr. 13, 1944.....	On July 13, 1944.....		\$99.905.....	1,014,523,000.00		1,014,523,000.00
July 20, 1944—0.375.....	(4)	(c)	Apr. 20, 1944.....	On July 20, 1944.....		\$99.905.....	1,013,435,000.00		1,013,435,000.00
July 27, 1944—0.375.....	(4)	(c)	Apr. 27, 1944.....	On July 27, 1944.....		\$99.905.....	1,015,902,000.00		1,015,902,000.00
Aug. 3, 1944—0.374.....	(4)	(c)	May 4, 1944.....	On Aug. 3, 1944.....		\$99.905.....	1,017,106,000.00		1,017,106,000.00
Aug. 10, 1944—0.375.....	(4)	(c)	May 11, 1944.....	On Aug. 10, 1944.....		\$99.905.....	1,206,949,000.00		1,206,949,000.00
Aug. 17, 1944—0.375.....	(4)	(c)	May 18, 1944.....	On Aug. 17, 1944.....		\$99.905.....	1,206,312,000.00		1,206,312,000.00
Aug. 24, 1944—0.375.....	(4)	(c)	May 25, 1944.....	On Aug. 24, 1944.....		\$99.905.....	1,214,114,000.00		1,214,114,000.00
Aug. 31, 1944—0.375.....	(4)	(c)	June 1, 1944.....	On Aug. 31, 1944.....		\$99.905.....	1,215,335,000.00		1,215,335,000.00
Sept. 7, 1944—0.375.....	(4)	(c)	June 8, 1944.....	On Sept. 7, 1944.....		\$99.905.....	1,202,620,000.00		1,202,620,000.00
Sept. 14, 1944—0.375.....	(4)	(c)	June 15, 1944.....	On Sept. 14, 1944.....	\$99.905.....	1,200,955,000.00		1,200,955,000.00	
Sept. 21, 1944—0.375.....	(4)	(c)	June 22, 1944.....	On Sept. 21, 1944.....	\$99.905.....	1,211,582,000.00		1,211,582,000.00	
Sept. 28, 1944—0.375.....	(4)	(c)	June 29, 1944.....	On Sept. 28, 1944.....	\$99.905.....	1,207,594,000.00		1,207,594,000.00	
Total Treasury bills.....									
							28,822,416,000.00		28,822,416,000.00
									14,734,104,000.00



SPECIAL ISSUES									
Bonds: 4½% Adjusted service (Government life insurance fund series 1946). Treasury notes: Federal old-age and survivors insurance trust fund series: 2½% 1945..... 2½% 1946..... 2½% 1946..... 2½% 1946..... 2½% 1947..... 2½% 1947..... 2½% 1947..... 17½% 1947..... 17½% 1948.....	(f)	(c)	June 15, 1936.....	On demand; on and after June 15, 1946.	June 15.....	Par.....	500, 157, 956.40	500, 157, 956.40	
	(f)	(c)	Various dates from June 30, 1940.	After 1 year from date of issue; on June 30, 1945.	June 30.....	do.....	725, 900, 000.00	725, 900, 000.00	
	(f)	(c)	Various dates from June 30, 1941.	After 1 year from date of issue; on June 30, 1946.	do.....	do.....	319, 200, 000.00	319, 200, 000.00	
	(f)	(c)	Various dates from Sept. 15, 1941.	do.....	do.....	do.....	603, 000, 000.00	603, 000, 000.00	
	(f)	(c)	Various dates from June 15, 1942.	do.....	do.....	do.....	228, 000, 000.00	228, 000, 000.00	
	(f)	(c)	Various dates from June 30, 1942.	After 1 year from date of issue; on June 30, 1947.	do.....	do.....	450, 400, 000.00	450, 400, 000.00	
	(f)	(c)	Sept. 15, 1942.	do.....	do.....	do.....	240, 000, 000.00	240, 000, 000.00	
	(f)	(c)	Various dates from Dec. 15, 1942.	do.....	do.....	do.....	459, 000, 000.00	459, 000, 000.00	
	(f)	(c)	June 15, 1943.	After 1 year from date of issue; on June 30, 1948.	do.....	do.....	275, 000, 000.00	251, 000, 000.00	
	(f)	(c)	Various dates from June 30, 1943.	do.....	do.....	do.....	1, 109, 000, 000.00	1, 109, 000, 000.00	
Railroad retirement account series: 3% 1947..... 3% 1948..... 3% 1949.....	(f)	(c)	Various dates from July 1, 1942.	After 1 year from date of issue; on June 30, 1947.	do.....	do.....	213, 000, 000.00	50, 000, 000.00	
	(f)	(c)	Various dates from July 1, 1943.	After 1 year from date of issue; on June 30, 1948.	do.....	do.....	261, 500, 000.00	261, 500, 000.00	
	(f)	(c)	June 30, 1944.....	After 1 year from date of issue; on June 30, 1949.	do.....	do.....	7, 000, 000.00	7, 000, 000.00	
Civil service retirement fund series: 4% 1945..... 4% 1946..... 4% 1947.....	(f)	(c)	Various dates from June 30, 1940.	After 1 year from date of issue; on June 30, 1945.	do.....	do.....	151, 400, 000.00	151, 400, 000.00	
	(f)	(c)	Various dates from June 30, 1941.	After 1 year from date of issue; on June 30, 1946.	do.....	do.....	210, 700, 000.00	210, 700, 000.00	
	(f)	(c)	Various dates from June 30, 1942.	After 1 year from date of issue; on June 30, 1947.	do.....	do.....	391, 400, 000.00	391, 400, 000.00	

Footnotes at end of table.

TABLE 22.—Description of the public debt issues outstanding June 30, 1944—Continued

Title of loan and rate of interest	Authorizing act	Tax ex-emp-tions	Date of loan	When redeemable or payable	Interest pay-ment date	Average price received	Amount issued	Amount retired	Amount out-standing
Interest-bearing debt—Continued									
<b>SPECIAL ISSUES—Con.</b>									
Treasury notes—Continued. Civil service retirement fund series—Continued.									
4% 1948.....	(4)	(4)	Various dates from June 30, 1943.	After 1 year from date of issue; on June 30, 1948.	June 30.....	Par.....	\$519,500,000.00	.....	\$519,500,000.00
4% 1949.....	(4)	(4)	June 30, 1944.....	After 1 year from date of issue; on June 30, 1949.	do.....	do.....	176,000,000.00	.....	176,000,000.00
3% 1945.....	(4)	(4)	Various dates from Aug. 9, 1940.	After 1 year from date of issue; on June 30, 1945.	do.....	do.....	569,000.00	\$241,000.00	328,000.00
3% 1946.....	(4)	(4)	Various dates from June 30, 1941.	After 1 year from date of issue; on June 30, 1946.	do.....	do.....	415,000.00	.....	415,000.00
3% 1947.....	(4)	(4)	Various dates from June 30, 1942.	After 1 year from date of issue; on June 30, 1947.	do.....	do.....	510,000.00	.....	510,000.00
3% 1948.....	(4)	(4)	Various dates from June 30, 1943.	After 1 year from date of issue; on June 30, 1948.	do.....	do.....	613,000.00	.....	613,000.00
3% 1949.....	(4)	(4)	June 30, 1944.....	After 1 year from date of issue; on June 30, 1949.	do.....	do.....	47,000.00	.....	47,000.00
Foreign service retirement fund series:									
4% 1945.....	(4)	(4)	Various dates from June 30, 1940.	After 1 year from date of issue; on June 30, 1945.	do.....	do.....	1,602,000.00	.....	1,602,000.00
4% 1946.....	(4)	(4)	Various dates from June 30, 1941.	After 1 year from date of issue; on June 30, 1946.	do.....	do.....	1,437,000.00	.....	1,437,000.00
4% 1947.....	(4)	(4)	Various dates from June 30, 1942.	After 1 year from date of issue; on June 30, 1947.	do.....	do.....	1,606,000.00	.....	1,606,000.00
4% 1948.....	(4)	(4)	Various dates from June 30, 1943.	After 1 year from date of issue; on June 30, 1948.	do.....	do.....	1,638,000.00	.....	1,638,000.00

4% 1949.....	(*)	(*)	June 30, 1944.....	After 1 year from date of issue; on June 30, 1949.	do.....	do.....	729,000.00	729,000.00
Canal Zone retirement fund series:								
4% 1945.....	(*)	(*)	Various dates from June 30, 1940.	After 1 year from date of issue; on June 30, 1945.	do.....	do.....	1,328,000.00	1,328,000.00
4% 1946.....	(*)	(*)	Various dates from June 30, 1941.	After 1 year from date of issue; on June 30, 1946.	do.....	do.....	3,481,000.00	3,481,000.00
4% 1947.....	(*)	(*)	Various dates from June 30, 1942.	After 1 year from date of issue; on June 30, 1947.	do.....	do.....	1,834,000.00	1,834,000.00
4% 1948.....	(*)	(*)	Various dates from June 30, 1943.	After 1 year from date of issue; on June 30, 1948.	do.....	do.....	1,570,000.00	1,570,000.00
4% 1949.....	(*)	(*)	June 30, 1944.....	After 1 year from date of issue; on June 30, 1949.	do.....	do.....	656,000.00	656,000.00
3% 1948.....	(*)	(*)	Oct. 1, 1943.....	After 1 year from date of issue; on June 30, 1948.	do.....	do.....	18,000.00	18,000.00
Alaska Railroad retirement fund series:								
4% 1945.....	(*)	(*)	Various dates from June 30, 1940.	After 1 year from date of issue; on June 30, 1945.	do.....	do.....	229,000.00	229,000.00
4% 1946.....	(*)	(*)	Various dates from June 30, 1941.	After 1 year from date of issue; on June 30, 1946.	do.....	do.....	328,000.00	328,000.00
4% 1947.....	(*)	(*)	Various dates from June 30, 1942.	After 1 year from date of issue; on June 30, 1947.	do.....	do.....	547,000.00	547,000.00
4% 1948.....	(*)	(*)	Various dates from June 30, 1943.	After 1 year from date of issue; on June 30, 1948.	do.....	do.....	452,000.00	452,000.00
4% 1949.....	(*)	(*)	June 30, 1944.....	After 1 year from date of issue; on June 30, 1949.	do.....	do.....	199,000.00	199,000.00
Postal Savings System series:								
2% 1948.....	(*)	(*)	Various dates from July 5, 1943.	After 1 year from date of issue; on June 30, 1948.	June 30, Dec. 31	do.....	472,000,000.00	264,000,000.00
Canal Zone Postal Savings System series:								
2% 1946.....	(*)	(*)	May 26, 1942.....	After 1 year from date of issue; on June 30, 1946.	do.....	do.....	1,000,000.00	1,000,000.00

See footnotes at end of table.

TABLE 22.—Description of the public debt issues outstanding June 30, 1944—Continued

Title of loan and rate of interest	Authorizing act	Tax exemptions	Date of loan	When redeemable or payable	Interest payment date	Average price received	Amount issued	Amount retired	Amount outstanding
Interest-bearing debt—Continued									
<b>SPECIAL ISSUES—Con.</b>									
Treasury notes—Continued.									
Canal Zone Postal Savings System series—Con.									
2% 1947.....	(†)	(*)	Various dates from Sept. 24, 1942.	After 1 year from date of issue; on June 30, 1947.	June 30, Dec. 31.	Par.....	\$2,500,000.00	\$1,250,000.00	\$1,250,000.00
2% 1948.....	(†)	(*)	Various dates from Sept. 30, 1943.	After 1 year from date of issue; on June 30, 1948.	do.....	do.....	1,250,000.00	-----	1,250,000.00
Government life Insurance fund series:									
2% 1948.....	(†)	(*)	Various dates from July 1, 1943.	After 1 year from date of issue; on June 30, 1948.	June 30.....	do.....	96,327,000.00	94,927,000.00	1,400,000.00
2% 1949.....	(†)	(*)	June 30, 1944.....	After 1 year from date of issue; on June 30, 1949.	do.....	do.....	500,000.00	-----	500,000.00
National service life insurance fund series:									
3% 1945.....	(†)	(*)	Various dates from Feb. 19, 1941.	After 1 year from date of issue; on June 30, 1945.	do.....	do.....	2,800,000.00	-----	2,800,000.00
3% 1946.....	(†)	(*)	Various dates from July 1, 1941.	After 1 year from date of issue; on June 30, 1946.	do.....	do.....	35,440,000.00	-----	35,440,000.00
3% 1947.....	(†)	(*)	Various dates from June 30, 1942.	After 1 year from date of issue; on June 30, 1947.	do.....	do.....	313,485,000.00	-----	313,485,000.00
3% 1948.....	(†)	(*)	Various dates from July 1, 1943.	After 1 year from date of issue; on June 30, 1948.	do.....	do.....	820,700,000.00	-----	820,700,000.00
3% 1949.....	(†)	(*)	June 30, 1944.....	After 1 year from date of issue; on June 30, 1949.	do.....	do.....	41,000,000.00	-----	41,000,000.00
Federal Deposit Insurance Corporation series:									
2% 1947.....	(†)	(*)	Various dates from Feb. 5, 1943.	After 1 year from date of issue; on Dec. 1, 1947.	June 1, Dec. 1.....	do.....	157,000,000.00	80,000,000.00	77,000,000.00

2% 1948.....	(†)	(€)	Various dates from Feb. 18, 1944.	After 1 year from date of issue; on Dec. 1, 1948.	do.....	do.....	21,000,000.00	21,000,000.00
<b>Federal Savings and Loan Insurance Corporation series:</b>								
2% 1947.....	(†)	(€)	Various dates from July 28, 1942.	After 1 year from date of issue; on June 30, 1947.	do.....	do.....	106,028,000.00	100,166,000.00
2% 1948.....	(†)	(€)	Various dates from July 22, 1943.	After 1 year from date of issue; on June 30, 1948.	do.....	do.....	26,084,000.00	5,284,000.00
<b>Total special Treasury notes.</b>								7,780,354,000.00
<b>Certificates of indebtedness:</b>								
Adjusted service certificate fund 4 <sup>1</sup> / <sub>2</sub> % Series 1945.	(†)	(€)	Jan. 1, 1944.....	On demand; on Jan. 1, 1945.	Jan. 1.....	do.....	18,400,000.00	15,880,000.00
Unemployment trust fund 1 <sup>1</sup> / <sub>2</sub> % Series 1945.	(†)	(€)	June 30, 1944.....	On demand; on June 30, 1945.	June 30, Dec. 31.....	do.....	5,610,000,000.00	5,610,000,000.00
Federal old-age and survivors insurance trust fund 1 <sup>1</sup> / <sub>2</sub> % Series 1945.	(†)	(€)	June 30, 1944.....	On demand; on June 30, 1945.	do.....	do.....	350,000,000.00	380,000,000.00
<b>Total special certificates of indebtedness.</b>								6,006,880,000.00
<b>Total interest-bearing debt</b>								199,543,355,300.99

Matured debt on which interest has ceased

Old debt matured prior to Apr. 6, 1917. <sup>1†</sup>	(†)			On Aug. 1, 1918.			\$198,792,660.00	\$1,250,980.26
3% Loan of 1903-18.....	(‡)			Called for redemption Feb. 2, 1925.			162,315,400.00	101,040.00
4% Loan of 1925.....	(§)		1898.....	Called for redemption July 1, 1935.			646,250,150.00	8,650.00
2% Consols of 1930.....	(¶)		Apr. 1, 1900.....	Called for redemption Aug. 1, 1935.			54,631,980.00	27,800.00
2% Panama Canal loan.....	(  )		Aug. 1, 1906.....	do.....			30,000,000.00	100.00
2% Panama Canal loan.....	(  )		Nov. 1, 1908.....	20 years from date of issue.			11,893,760.00	20.00
2 <sup>1</sup> / <sub>2</sub> % Postal savings bonds.....	(*)		Jan. 1, July 1, 1911-1924.....				1,989,455,550.00	27,820.00
First Liberty loan: First 3 <sup>1</sup> / <sub>4</sub> %s.....	(  )		June 15, 1917.....	Called for redemption June 15, 1935.			568,318,450.00	4,630,500.00
First 4's.....	(  )		Nov. 15, 1917.....	do.....			568,195,150.00	123,300.00

Footnotes at end of table.

TABLE 22—Description of the public debt issues outstanding June 30, 1944—Continued

Title of loan and rate of interest	Authorizing act	Tax ex-emp-tions	Date of loan	When redeemable or payable	Interest pay-ment date	Average price received	Amount issued	Amount retired	Amount out-standing
Matured debt on which interest has ceased—Continued									
First Liberty loan—Con.									
First 4½'s	(2)		May 9, 1918.	Called for redem- tion June 15, 1935.			\$555,212,300.00	\$554,003,550.00	\$1,208,750.00
First-second 4½'s	(2)		Oct. 24, 1918	do			3,492,150.00	3,457,650.00	4,500.00
Second Liberty loan:									
Second 4's	(3)		Nov. 15, 1917	Called for redem- tion Nov. 15, 1927.			3,807,865,000.00	3,807,437,800.00	427,200.00
Second 4½'s	(4)		May 9, 1918.	On Sept. 15, 1928.			3,707,936,200.00	3,707,401,350.00	534,850.00
4½'s Third Liberty loan.	(4)		do	Bonds with final digits 1, 9, and 0 called for redemption Apr. 15, 1934; bonds with final digits 2 and 8 called for redem- tion Oct. 15, 1934;			4,175,650,050.00	4,174,049,350.00	1,600,700.00
4¼'s Fourth Liberty loan.	(4)		Oct. 24, 1918.	Bonds with final digits 1, 9, and 0 called for redemption Apr. 15, 1935; and bonds with final digits 3 and 4 called for redem- tion Oct. 15, 1935.			6,964,581,100.00	6,957,681,900.00	7,499,200.00
Victory notes:									
3¼'s Victory notes	(4)		May 20, 1919	Called for redem- tion June 15, 1922.					800.00
4¾'s Victory notes	(4)		do	Symbols A to F called for redemption Dec. 15, 1922; balance of loan matured May 20, 1923.					508,150.00
Treasury bonds:									
3½'s of 1940-43	(4)		July 16, 1928.	Called for redem- tion June 15, 1940.			359,042,950.00	357,914,600.00	1,128,350.00
3½'s of 1941-43	(4)		Mar. 16, 1931	Called for redem- tion Mar. 15, 1941.			594,230,050.00	593,336,050.00	894,000.00
3¼'s of 1941.	(4)		Aug. 15, 1933	Matured Aug. 1, 1941			835,043,100.00	834,520,700.00	522,400.00

3 3/8% of 1943-47.	June 15, 1927.	Called for redemption June 15, 1943.	494,854,750.00	488,616,400.00	6,238,350.00
3 1/4% of 1943-45.	Oct. 15, 1933.	Called for redemption Oct. 15, 1943.	1,401,138,500.00	1,376,500,100.00	24,338,400.00
3 1/4% of 1944-46.	Apr. 16, 1934.	Called for redemption Apr. 15, 1944.	1,518,858,800.00	1,441,202,750.00	77,656,050.00
Treasury notes:					
5 3/8% A-1924.	June 15, 1921.	On June 15, 1924.	311,191,600.00	311,175,400.00	16,200.00
4 3/8% A-1925.	Feb. 1, 1922.	On Mar. 15, 1925.	601,599,500.00	601,594,500.00	5,000.00
4 3/8% A-1926.	Mar. 15, 1922.	On Mar. 15, 1926.	617,769,700.00	617,766,900.00	2,800.00
4 3/8% B-1925.	June 15, 1922.	On Dec. 15, 1925.	335,141,303.00	335,113,900.00	27,400.00
4 1/4% B-1926.	Aug. 1, 1922.	On Sept. 15, 1926.	486,940,100.00	486,932,800.00	7,300.00
4 3/8% C-1925.	Dec. 15, 1922.	On June 15, 1925.	469,213,200.00	469,206,700.00	6,500.00
4 3/8% A-1927.	Jan. 15, 1923.	On Dec. 15, 1927.	366,981,500.00	366,972,900.00	8,600.00
4 3/8% B-1927.	Mar. 15, 1923.	On Mar. 15, 1927.	668,201,400.00	668,189,200.00	12,200.00
3 3/8% A-1930-32.	May 15, 1923.	do	1,390,363,750.00	1,390,363,750.00	92,700.00
3 3/8% B-1930-32.	Sept. 15, 1927.	Called Mar. 15, 1931.	619,456,700.00	619,452,450.00	63,250.00
3 3/8% C-1930-32.	Jan. 16, 1928.	Called Dec. 15, 1931.	607,399,650.00	607,399,100.00	30,550.00
3 1/2% B-1930-32.	Dec. 15, 1931.	On Dec. 15, 1932.	600,446,200.00	600,421,500.00	24,700.00
3 1/2% C-1930-32.	May 2, 1932.	On May 2, 1934.	244,234,600.00	244,232,100.00	2,500.00
3 1/2% A-1934.	June 15, 1932.	On June 15, 1935.	416,602,800.00	416,605,800.00	7,000.00
3 1/2% B-1934.	Aug. 1, 1932.	On Aug. 1, 1934.	345,232,600.00	345,237,600.00	55,000.00
3 1/2% A-1935.	do	On Aug. 1, 1936.	365,138,000.00	365,121,900.00	116,100.00
3 1/2% B-1934.	Sept. 15, 1932.	On Sept. 15, 1937.	834,401,500.00	834,245,400.00	156,100.00
3 1/2% A-1936.	Oct. 15, 1932.	On Apr. 15, 1937.	508,328,900.00	508,206,900.00	62,000.00
3 1/2% B-1936.	Dec. 15, 1932.	On Dec. 15, 1936.	360,533,200.00	360,500,700.00	32,500.00
2 7/8% A-1938.	Feb. 1, 1933.	On Feb. 1, 1938.	277,516,600.00	277,503,600.00	13,000.00
2 7/8% C-1936.	May 2, 1933.	On Apr. 15, 1936.	572,419,200.00	572,317,300.00	101,900.00
2 7/8% B-1938.	June 15, 1933.	On June 15, 1938.	623,911,800.00	623,869,000.00	42,800.00
1 5/8% B-1935.	Aug. 15, 1933.	On Aug. 1, 1935.	353,865,000.00	352,563,100.00	1,301,900.00
1 5/8% C-1935.	Jan. 20, 1934.	On Dec. 15, 1935.	528,101,600.00	528,090,600.00	11,000.00
2 1/2% D-1935.	Feb. 19, 1934.	On Dec. 15, 1935.	418,291,900.00	418,208,900.00	83,000.00
3 1/2% C-1937.	do	On Feb. 15, 1937.	428,790,700.00	428,687,700.00	43,000.00
3 1/2% C-1938.	Mar. 15, 1934.	On June 15, 1938.	455,175,500.00	454,920,500.00	255,000.00
2 1/2% A-1939.	June 15, 1934.	On June 15, 1939.	1,293,714,200.00	1,293,574,000.00	140,200.00
1 1/2% D-1936.	Sept. 15, 1934.	do	514,065,200.00	514,065,200.00	800.00
1 1/2% E-1936.	Dec. 15, 1934.	On Sept. 15, 1936.	596,416,100.00	596,354,750.00	61,350.00
1 1/2% B-1940.	Mar. 15, 1935.	On June 15, 1936.	686,616,400.00	686,610,100.00	6,300.00
1 1/2% C-1939.	July 15, 1935.	On Dec. 15, 1939.	738,428,400.00	738,428,400.00	553,100.00
1 1/2% B-1939.	Sept. 16, 1935.	On Mar. 15, 1939.	526,233,000.00	526,177,200.00	189,100.00
1 1/2% C-1940.	Dec. 16, 1935.	On Dec. 15, 1940.	941,613,750.00	941,351,350.00	55,800.00
1 1/2% A-1941.	Mar. 16, 1936.	On Mar. 15, 1941.	737,161,600.00	737,103,400.00	252,400.00
1 1/2% B-1941.	June 15, 1936.	On June 15, 1941.	676,707,600.00	676,284,500.00	58,200.00
1 1/2% C-1941.	Dec. 15, 1936.	On Dec. 15, 1941.	503,877,600.00	503,877,600.00	423,100.00
1 1/2% D-1939.	June 15, 1937.	On Sept. 15, 1939.	294,425,400.00	293,417,700.00	4,135,600.00
1 1/2% E-1938.	Sept. 15, 1937.	On Dec. 15, 1938.	426,554,600.00	426,546,000.00	1,007,700.00
2 7/8% B-1942.	Dec. 15, 1937.	On Dec. 15, 1942.	433,400,900.00	433,459,000.00	8,000.00
1 3/4% C-1942.	do	On Dec. 15, 1942.	342,143,300.00	341,759,200.00	1,000.00
			232,375,200.00	232,017,500.00	357,700.00

Footnotes at end of table.

TABLE 22.—Description of the public debt issues outstanding June 30, 1944—Continued

Title of loan and rate of interest	Authorizing act	Tax exemptions	Date of loan	When redeemable or payable	Interest payment date	Average price received	Amount issued	Amount retired	Amount outstanding
Matured debt on which interest has ceased—Continued									
Treasury notes—Continued.									
1-4% A-1943	(4)		June 15, 1938	On June 15, 1943			\$229, 116, 900.00	\$628, 390, 200.00	\$726, 700.00
3-4% D-1943	(4)		Mar. 15, 1941	On Mar. 15, 1943			65, 963, 700.00	65, 951, 400.00	12, 300.00
1% C-1943	(4)		June 15, 1940	On Sept. 15, 1943			279, 473, 800.00	278, 518, 800.00	955, 000.00
1-3% B-1943	(4)		Dec. 15, 1938	On Dec. 15, 1943			420, 973, 000.00	420, 353, 000.00	620, 000.00
1-3% B-1944	(4)		Nov. 1, 1939	On Mar. 15, 1944			515, 210, 900.00	513, 282, 000.00	1, 928, 900.00
3% A-1944	(4)		June 15, 1939	On June 15, 1944			415, 519, 500.00	413, 092, 400.00	2, 427, 100.00
Tax series (various rates)	(4)		Various	Various			5, 028, 531, 650.00	5, 003, 420, 800.00	25, 110, 850.00
Certificates of indebtedness (various rates)	(4)		do	do					16, 631, 350.00
Treasury bills (various rates)	(4)		do	do					11, 591, 000.00
Treasury savings certificates: 3-4% of Dec. 15, 1921	(4)		Dec. 15, 1921	5 years from date of issue			138, 288, 376.20	138, 263, 826.20	24, 550.00
3-4% of Sept. 30, 1922	(4)		Sept. 30, 1922	do			205, 662, 045.20	205, 577, 870.20	84, 175.00
3-4% of Dec. 1, 1923	(4)		Dec. 1, 1923	do			159, 511, 791.25	159, 476, 916.25	34, 875.00
Total mat'rd debt on which interest has ceased (on basis of Public Debt accounts).									199, 536, 860.26
Adjustment to daily Treasury statement.									
Total mat'rd debt on which interest has ceased (on basis of daily Treasury statement).									1, 314, 300.00
									200, 851, 160.26
Noninterest-bearing debt									
United States savings stamps (Public Debt Act of 1942)									\$195, 518, 082.88
Excess profits tax refund bonds (Issued under the authority of and subject to the provisions of the Second Liberty Bond Act as amended, and secs. 780 through 783, of the Internal Revenue Code, as amended. Issued in series depending upon the tax years for which credits are available and in amounts certified to the Secretary of the Treasury by the Commissioner of Internal Revenue. Bear no interest and are redeemable at yearly intervals after the cessation of hostilities in the present war, as provided by sec. 780 (c) of the Internal Revenue Code, as amended)									134, 032, 175.28
Old demand notes [Acts of July 17, 1861 (12 Stat. 259); Aug. 5, 1861 (12 Stat. 313); Feb. 12, 1862 (12 Stat. 338). (Greatest amount ever authorized to be outstanding, \$60,000,000)]							18 \$60, 030, 000.00		52, 917.50



Fractional currency [Acts of July 17, 1862 (12 Stat. 592); Mar. 3, 1863 (12 Stat. 711); June 30, 1864 (13 Stat. 220). (Greatest amount ever authorized to be outstanding, \$50,000,000)]	19 368,724,080.00	19 1,909,233.00
Legal tender notes [Acts of Feb. 25, 1862 (12 Stat. 345); July 11, 1862 (12 Stat. 532); Mar. 3, 1863 (12 Stat. 710); May 31, 1878 (20 Stat. 87); Mar. 14, 1900 (31 Stat. 48); Mar. 4, 1907 (34 Stat. 1240). (Greatest amount ever authorized to be outstanding, \$450,000,000)]	346,681,016.00	346,681,016.00
Less gold reserve		156,039,430.93
		190,641,585.07
National bank notes (redemption account) [The act of July 14, 1890 (26 Stat. 289), provides that balances standing with the Treasurer of the United States to the respective credits of national banks for deposits made to redeem the circulating notes of such banks and all deposits thereafter received for like purpose shall be covered into the Treasury as a miscellaneous receipt, and the Treasurer of the United States shall redeem from the general cash in the Treasury the circulating notes of said banks which may come into his possession subject to redemption, and the balance remaining of the deposits so covered shall, at the close of each month, be reported as debts of United States bearing no interest. (Authorized to be outstanding at one time—Indefinite.)]		732,229,043.50
Thrift and Treasury savings stamps, unclassified sales, etc.		3,737,418.50
Total noninterest-bearing debt (on basis of Public Debt accounts)		1,258,181,055.73
Adjustment to daily Treasury statement		999,704.15
Total noninterest-bearing debt (on basis of daily Treasury statement)		1,259,180,759.88
Gross debt (including \$10,717,259,623.79 advanced to Government agencies for which their obligations are owned by the Treasury) as shown on daily Treasury statement of July 1, 1944		201,003,357,221.13

NOTE.—For description of contingent liabilities of the United States, see table 58, p. 716.

<sup>1</sup> Aug. 5, 1909, Feb. 4, 1910, and Mar. 2, 1911. <sup>2</sup> Dec. 23, 1913. <sup>3</sup> June 23, 1910. <sup>4</sup> Sept. 24, 1917, as amended. <sup>5</sup> Sept. 24, 1917, as amended, and Adjusted Compensation Payment Act, 1936. <sup>6</sup> Various. <sup>7</sup> June 13, 1898. <sup>8</sup> July 17, 1870, as amended; Jan. 14, 1875. <sup>9</sup> Mar. 14, 1900. <sup>10</sup> June 28, 1902; Dec. 21, 1905. <sup>11</sup> Apr. 24, 1917. <sup>12</sup> Apr. 24, 1917; Sept. 24, 1917, as amended. <sup>13</sup> Sept. 24, 1917.

<sup>14</sup> Redeemable, at par and accrued interest, to date of payment, at any time upon the death of the owner at the option of the duly constituted representative of the deceased owner's estate, provided entire proceeds of redemption are applied to payment of Federal estate taxes due from deceased owner's estate.

<sup>15</sup> Amounts issued and retired for Series A to F, inclusive, include accrued discount; amounts outstanding are stated at current redemption values. Amounts issued, retired, and outstanding for Series G are stated at par value.

<sup>16</sup> Treasury bills are sold on a discount basis on competitive bidding. The average sale price of these series gives an approximate yield on a bank discount basis. <sup>17</sup> For detailed information and amounts outstanding June 30, 1929, see table 24 in annual report for 1929, p. 456. For amounts retired subsequent to 1929, see table 27, p. 645 of this report and corresponding tables in reports for 1939 to 1943.

<sup>18</sup> Includes amounts authorized to be outstanding at present time and amounts issued on deposits including reissues. <sup>19</sup> After deducting amounts officially estimated to have been lost or irrevocably destroyed.

#### TAX EXEMPTIONS:

<sup>a</sup> Exempt from the payment of all taxes or duties of the United States, as well as from all taxation in any form by or under State, municipal, or local authority. (The Supreme Court has held that this exemption does not extend to estate or inheritance taxes imposed by Federal or State authority.)

(Footnotes continued on next page)

## FOOTNOTES TO TABLE 22—Continued.

<sup>b</sup> Securities issued prior to Mar. 1, 1941.—Exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) graduated additional income taxes, commonly known as surtaxes, and excess profits and war profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations. The interest on an amount of bonds authorized by the act approved Sept. 24, 1917, as amended, the principal of which does not exceed in the aggregate \$5,000 owned by any individual, partnership, association, or corporation, shall be exempt from the taxes provided for in clause (b) above. The following is applicable to savings bonds only: For the purposes of determining taxes and tax exemptions the increment in value of savings bonds represented by the difference between the price paid and the redemption value received (whether at or before maturity) shall be considered as interest.

<sup>c</sup> Securities issued on and after Mar. 1, 1941.—Income derived from these securities is subject to all Federal taxes now or hereafter imposed. The securities are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. The following is applicable to savings bonds only: For the purposes of taxation any increment in value of savings bonds represented by the difference between the price paid and the redemption value received (whether at or before maturity) shall be considered as interest.

Attention is invited to Treasury Decision 4550 ruling that bonds, notes, bills, and certificates of indebtedness of the Federal Government or its agencies, and the interest thereon, are not exempt from the gift tax.

<sup>d</sup> Securities other than national defense series issued prior to Mar. 1, 1941.—Exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

<sup>e</sup> National defense series issued prior to Mar. 1, 1941.—Exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, or gift taxes, and (b) all income, excess profits and war profits taxes now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations.

<sup>f</sup> Any income derived from Treasury bills, whether interest or gain from their sale or other disposition does not have any exemption, as such, and loss from the sale or other disposition of any such bills does not have any special treatment, as such, under Federal tax acts now or hereafter enacted. The bills are subject to estate, inheritance, gift, or other excise taxes whether Federal or State, but are exempt from all taxation, now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which the bills are originally sold by the United States is to be considered to be interest.

<sup>g</sup> These issues being investments of various Government funds and payable only for the account of such funds have no present tax liability.

**In Hands of Foreign Holders:**

Applicable only to securities issued prior to Mar. 1, 1941: Bonds, notes, and certificates of indebtedness of the United States, shall, while beneficially owned by a nonresident alien individual, or a foreign corporation, partnership, or association, not engaged in business in the United States, be exempt, both as to principal and interest from all and any taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

## MEMORANDUM RELATING TO OTHER OBLIGATIONS

Obligations of the United States payable on presentation:

	<i>Amount</i>
Matured interest obligations outstanding.....	\$53,178,000.31
Interest accrued on Treasury savings notes (including tax series) and adjusted service bonds.....	112,798,871.23
Discount accrued on Treasury (war) savings certificates, matured series.....	3,185,515.00
Settlement warrant checks outstanding.....	313,349.83
Total.....	169,476,336.37

## ADJUSTMENT TO BASIS OF PUBLIC DEBT ACCOUNTS

[This adjustment is occasioned by items in transit on June 30, 1944, not reflected in the daily Treasury statement]

Class of security	Outstanding on basis of daily Treasury statement	Net adjustment to Public Debt accounts	Outstanding on basis of Public Debt accounts	Class of security	Outstanding on basis of daily Treasury statement	Net adjustment to Public Debt accounts	Outstanding on basis of Public Debt accounts
<b>Interest bearing debt:</b>				<b>Matured debt—Continued.</b>			
Public issues:				Treasury bonds (various)	\$111,015,075.00	—\$237,525.00	\$110,777,550.00
Bonds (various)	\$195,926,800.00		\$195,926,800.00	Treasury notes (various)	42,557,325.00	—136,325.00	42,421,000.00
Treasury bonds	79,244,104,350.00	+ \$11,170,000.00	79,285,283,350.00	Certificates of indebtedness	17,158,400.00	—527,050.00	16,631,350.00
United States savings bonds	34,606,141,184.39	—13,586,429.66	34,392,554,754.93	Treasury bills	11,987,000.00	—395,000.00	11,592,000.00
2% Depository bonds	474,321,750.00		474,321,750.00	Treasury savings certificates	143,000.00	-----	143,000.00
3% Adjusted service bonds of 1945	217,283,050.00	—110,150.00	217,172,900.00	Total matured debt	200,851,100.26	—1,314,300.00	199,536,800.26
Total bonds	114,737,777,194.59	+27,482,420.34	114,765,259,614.93	Debt bearing no interest:			
Treasury notes:				United States savings stamps	196,518,369.53	—999,686.65	195,518,682.88
Regular series	16,238,994,700.00	+2,023,000.00	16,241,017,700.00	Excess profits tax refund bonds	134,032,175.28	-----	134,032,175.28
National defense series	1,165,902,100.00		1,165,902,100.00	Old demand notes	52,917.50	-----	52,917.50
Tax series	1,109,021,750.00	+14,550.00	1,109,036,300.00	Fractional currency	1,969,233.00	-----	1,969,233.00
Savings series	9,417,757,600.00	—7,012,600.00	9,440,734,000.00	Legal tender notes	346,681,016.00	-----	346,681,016.00
Certificates of indebtedness	28,822,416,000.00	+7,259,000.00	28,829,675,000.00	Less gold reserve	156,039,430.93	-----	156,039,430.93
Treasury bills	14,734,104,000.00	+100,000.00	14,734,204,000.00	National bank and Federal Reserve Bank notes	190,641,585.07	-----	190,641,585.07
Special issues:				Thrift and Treasury savings stamps (unclassified sales, etc.)	732,229,043.50	-----	732,229,043.50
Bonds	500,157,956.40		500,157,956.40	Total debt bearing no interest	1,259,180,756.88	—999,704.15	1,258,181,052.73
Treasury notes	7,790,354,000.00		7,790,354,000.00	Total gross debt outstanding	201,003,387,221.13	+27,551,366.19	201,030,938,587.32
Certificates of indebtedness	6,006,890,000.00		6,006,890,000.00				
Total interest-bearing debt	199,543,355,300.99	+29,865,370.34	199,573,220,671.33				
<b>Matured debt:</b>							
Old debt (various)	1,425,410.29	-----	1,425,410.29				
Liberty loan bonds and Victory notes	16,565,350.00	—18,400.00	16,546,950.00				

TABLE 23.—*Principal of the public debt outstanding at the end of each fiscal year from 1853 through 1944*<sup>1</sup>(On basis of Public Debt accounts from 1853 through 1919, and on basis of daily Treasury statements from 1920 to date, see p. 519<sup>1</sup>)

June 30—	Interest-bearing <sup>2</sup>	Matured	Noninterest-bearing <sup>3</sup>	Total gross debt	Gross debt per capita
1853.....	\$59,642,412	\$162,249	-----	\$59,804,661	\$2.36
1854.....	42,044,517	199,248	-----	42,243,765	1.62
1855.....	35,418,001	170,498	-----	35,588,499	1.32
1856.....	31,805,180	168,901	-----	31,974,081	1.15
1857.....	28,503,377	197,998	-----	28,701,375	1.01
1858.....	44,743,256	170,168	-----	44,913,424	1.53
1859.....	58,333,156	165,225	-----	58,498,381	1.93
1860.....	64,683,256	160,575	-----	64,843,831	2.06
1861.....	90,423,292	159,125	-----	90,582,417	2.83
1862.....	365,356,045	230,520	\$158,591,390	524,177,955	16.03
1863.....	707,834,255	171,970	411,767,456	1,119,773,681	33.56
1864.....	1,360,026,914	366,629	455,437,271	1,815,830,814	53.33
1865.....	2,217,709,407	2,129,425	458,090,180	2,677,929,012	77.07
1866.....	2,322,116,330	4,435,865	429,211,734	2,755,763,929	77.69
1867.....	2,238,954,794	1,739,108	409,474,321	2,650,168,223	73.19
1868.....	2,191,326,130	1,246,334	390,873,992	2,583,446,456	69.87
1869.....	2,151,495,065	5,112,034	388,503,491	2,545,110,590	67.41
1870.....	2,035,881,095	3,569,664	397,002,510	2,436,453,269	63.19
1871.....	1,920,696,750	1,948,902	399,406,489	2,322,052,141	58.70
1872.....	1,800,794,100	7,926,547	401,270,191	2,209,990,838	54.44
1873.....	1,696,483,950	51,929,460	402,796,935	2,151,210,345	51.62
1874.....	1,724,930,750	3,216,340	431,785,640	2,159,932,730	50.47
1875.....	1,708,676,300	11,425,570	436,174,779	2,156,276,649	49.06
1876.....	1,696,685,450	3,902,170	430,258,158	2,130,845,778	47.21
1877.....	1,697,888,500	16,648,610	393,222,793	2,107,759,903	45.47
1878.....	1,780,735,650	5,594,070	373,088,595	2,159,418,315	45.37
1879.....	1,887,716,110	37,015,380	374,181,153	2,298,912,643	47.05
1880.....	1,709,993,100	7,621,205	373,294,567	2,090,908,872	41.69
1881.....	1,625,567,750	6,723,615	386,994,363	2,019,285,728	39.35
1882.....	1,449,810,400	16,260,555	390,844,689	1,856,915,644	35.37
1883.....	1,324,229,150	7,831,165	389,898,603	1,721,958,918	32.07
1884.....	1,212,563,850	19,655,955	393,087,639	1,625,307,444	29.60
1885.....	1,182,150,950	4,100,745	392,299,474	1,578,551,169	28.11
1886.....	1,132,014,100	9,704,195	413,941,255	1,555,659,550	27.10
1887.....	1,007,692,350	6,114,915	451,678,029	1,465,485,294	24.97
1888.....	936,522,500	2,495,845	455,613,311	1,384,631,656	23.09
1889.....	815,853,990	1,911,235	431,705,286	1,249,470,511	20.39
1890.....	711,313,110	1,815,555	409,267,919	1,122,396,584	17.92
1891.....	610,529,120	1,614,705	393,662,736	1,005,806,561	15.75
1892.....	585,029,330	2,785,875	380,403,636	968,218,841	14.88
1893.....	585,037,100	2,094,060	374,300,606	961,431,766	14.49
1894.....	635,041,890	1,851,240	380,004,687	1,016,897,817	15.04
1895.....	716,202,060	1,721,590	378,989,470	1,096,913,120	15.91
1896.....	847,363,890	1,636,890	373,728,570	1,222,729,350	17.40
1897.....	847,365,130	1,346,880	378,081,703	1,226,793,713	17.14
1898.....	847,367,470	1,262,680	384,112,913	1,232,743,063	16.90
1899.....	1,046,048,750	1,218,300	389,433,654	1,436,700,704	19.33
1900.....	1,023,478,860	1,176,320	388,761,733	1,413,316,913	16.56
1901.....	967,141,040	1,415,620	233,015,585	1,201,572,245	15.71
1902.....	931,070,340	1,280,860	245,680,157	1,178,031,357	14.99
1903.....	914,541,410	1,205,090	243,659,413	1,159,405,913	14.40
1904.....	895,157,440	1,970,920	239,130,656	1,136,259,016	13.88
1905.....	895,158,340	1,370,245	235,828,510	1,132,357,095	13.60
1906.....	895,159,140	1,128,135	246,235,695	1,142,522,970	13.50
1907.....	894,834,280	1,086,815	251,257,098	1,147,178,193	13.33
1908.....	897,503,990	4,130,015	276,056,398	1,177,690,403	13.46
1909.....	913,317,490	2,883,855	232,114,027	1,148,315,372	12.91
1910.....	913,317,490	2,124,895	231,497,584	1,146,939,969	12.69
1911.....	915,353,190	1,879,830	236,751,917	1,153,984,937	12.28
1912.....	963,776,770	1,760,450	228,301,285	1,193,838,505	12.48
1913.....	965,706,610	1,659,550	225,681,585	1,193,047,745	12.26
1914.....	967,953,310	1,552,560	218,729,530	1,188,235,400	12.00

<sup>\*</sup> Revised.<sup>1</sup> Figures for 1853 through 1885, are taken from "Statement of receipts and expenditures of the Government from 1855 to 1885 and principal of public debt from 1791 to 1885," compiled from the official records of the Register's office. From 1886 through 1919 figures are taken from the monthly debt statements and revised figures published in the annual reports of the Secretary of the Treasury. (See table 24, p. 507, in 1942 report). From 1920 to date, figures are taken from the Preliminary Statement of the Public Debt published in the daily Treasury statements.<sup>2</sup> Exclusive of the bonds issued to the Pacific railways (provision having been made by law to secure the Treasury against both principal and interest) and the Navy pension fund (which was in no sense a debt, the principal being the property of the United States).<sup>3</sup> Includes old demand notes; United States notes (gold reserve deducted since 1900); postal currency and fractional currency less the amounts officially estimated to have been destroyed; and also the deposits held by the Treasury for the retirement of Federal Reserve Bank notes, and for national bank notes of national banks failed, in liquidation, and reducing circulation, which prior to 1890 was not included in the published debt statements. Does not include gold, silver, or currency certificates, or Treasury notes of 1890 for redemption of which an exact equivalent of the respective kinds of money or bullion was held in the Treasury.

TABLE 23.—*Principal of the public debt outstanding at the end of each fiscal year from 1853 through 1944*<sup>1</sup>—Continued

June 30—	Interest-bearing <sup>2</sup>	Matured	Noninterest-bearing <sup>2</sup>	Total gross debt	Gross debt per capita
1915.....	\$969,759,090	\$1,507,260	\$219,997,718	\$1,191,264,068	\$11.83
1916.....	971,562,590	1,473,100	252,109,878	1,225,145,568	11.96
1917.....	2,712,549,477	14,232,230	248,836,878	2,975,618,585	28.57
1918.....	11,985,882,436	20,242,550	237,503,733	12,243,628,719	115.65
1919.....	25,234,496,274	11,109,370	236,428,775	25,482,034,419	240.09
1920.....	24,062,500,285	6,745,237	230,075,945	24,299,321,467	228.33
1921.....	23,738,900,085	10,688,160	227,862,308	23,977,450,553	221.10
1922.....	22,710,338,105	25,250,880	227,792,723	22,963,381,708	208.97
1923.....	22,007,043,612	98,738,910	243,924,844	22,349,707,365	200.10
1924.....	20,981,242,042	30,278,200	239,292,747	21,250,812,989	186.86
1925.....	20,210,906,915	30,258,980	275,027,993	20,516,193,888	177.82
1926.....	19,383,770,860	13,359,900	246,085,555	19,643,216,315	167.70
1927.....	18,252,664,666	14,718,585	244,523,681	18,511,906,932	156.05
1928.....	17,317,694,182	45,335,060	241,263,959	17,604,298,201	146.69
1929.....	16,638,941,379	50,749,199	241,397,905	16,931,088,484	139.40
1930.....	15,921,892,350	31,716,870	231,700,611	16,185,309,831	131.49
1931.....	16,519,588,640	51,819,095	229,873,756	16,801,281,492	135.37
1932.....	19,161,273,540	60,079,385	265,649,519	19,487,002,444	155.93
1933.....	22,157,643,120	65,911,170	315,118,270	22,538,672,560	179.21
1934.....	26,480,487,870	54,266,830	518,386,714	27,053,141,414	213.65
1935.....	27,645,241,089	230,662,155	824,989,381	28,700,892,625	225.07
1936.....	32,988,790,135	169,363,395	620,389,964	33,778,543,494	263.01
1937.....	35,800,109,418	118,529,815	505,974,499	36,424,613,732	281.80
1938.....	36,575,925,880	141,362,460	447,451,975	37,164,740,315	285.41
1939.....	39,885,969,732	142,283,140	411,279,539	40,439,532,411	308.29
1940.....	42,376,495,928	204,591,190	386,443,919	42,967,531,038	325.63
1941.....	48,387,399,539	204,999,860	369,044,137	48,961,443,536	367.54
1942.....	71,968,418,098	98,299,730	355,727,288	72,422,445,116	537.35
1943.....	135,380,305,795	140,500,090	1,175,284,445	136,696,090,330	1,001.55
1944.....	199,543,355,301	200,851,160	1,259,180,760	201,003,387,221	1,456.54

Footnotes on p. 626.

TABLE 24.—*Comparative statement of the public debt outstanding June 30, 1933 through 1944*  
 [In millions of dollars. On basis of daily Treasury statements, see p. 519]

Class	June 30, 1932	June 30, 1933	June 30, 1934	June 30, 1935	June 30, 1936	June 30, 1937	June 30, 1938	June 30, 1939	June 30, 1940	June 30, 1941	June 30, 1942	June 30, 1943	June 30, 1944
<b>Interest-bearing:</b>													
<b>Public issues:</b>													
Marketable issues:													
Consols of 1930	600	600	600	600	50	50	50	50	50	50	50	50	50
Panama Canal loan bonds	125	125	125	125	29	29	29	29	29	29	29	29	29
Conversion bonds of 1940-47	20	20	20	20	118	118	118	118	118	117	117	117	117
Postal savings bonds	36	53	78	162	121	119							
Liberty loan bonds	8,201	6,346	6,346	1,333									
Treasury bonds	5,259	9,333	12,084	12,084	17,108	19,936	21,846	25,218	26,555	30,215	38,085	57,520	79,244
Treasury notes	1,261	4,548	6,653	10,023	11,381	10,617	9,147	7,243	6,383	5,698	6,689	9,168	17,405
Certificates of indebtedness	2,726	1,517	1,517								3,090	16,561	28,822
Treasury bills	616	954	1,404	2,053	2,354	2,303	1,154	1,308	1,302	1,603	2,508	11,804	14,734
<b>Total marketable issues</b>	18,852	21,834	26,084	26,950	31,102	33,054	32,344	33,965	34,436	37,713	50,573	95,310	140,401
<b>Nonmarketable issues:</b>													
United States savings bonds													
Depository bonds				62	316	800	1,238	1,868	2,905	4,314	10,188	21,236	34,606
Adjusted service bonds of 1945					945	389	319	283	261	241	229	226	217
Treasury notes—tax and savings series											3,015	7,495	9,557
<b>Total nonmarketable issues</b>				62	1,261	1,188	1,556	2,151	3,166	4,555	13,510	29,200	44,855
<b>Total public issues</b>	18,852	21,834	26,084	27,012	32,363	34,242	33,900	36,116	37,602	42,267	64,083	124,509	185,256
<b>Special issues:</b>													
Old-age reserve account (notes)						267	662	1,177	1,413	1,053	524		
Federal old-age and survivors insurance trust fund (notes)									325	1,328	2,610	4,044	4,386
Federal old-age and survivors insurance trust fund (certificates)													380
Railroad retirement account (notes)													
Civil service retirement fund (notes)	200	227	239	248	275	309	389	465	550	645	783	1,000	1,451
Foreign service retirement fund (notes)	2	2	2	3	3	3	3	4	4	5	5	6	7
Canal Zone retirement fund (notes)	2	2	2	2	3	3	4	4	4	5	7	8	9
Alaska Railroad retirement fund (notes)													
Postal Savings System (notes)			35	125	100	(*) 30	(*) 45	128	97	88	55	197	264

[illegible]

NOTE.—Figures are rounded and will not necessarily add to totals.

Revised,

- Less than \$500,000.

<sup>1</sup> Sales of these stamps commenced May 1, 1941, as a special defense series of postal savings stamps, which were obligations of the Postal Savings System. Beginning Oct. 1, 1942, this special series was replaced by a Treasury issue of United States war savings stamps and all outstanding stamps became public debt obligations.

TABLE 25.—Composition of the public debt at the end of the fiscal years 1916 through 1944 and by months from July 1943 through June 1944 <sup>1</sup>

(In millions of dollars. On basis of Public Debt accounts from 1916 through 1919, and on basis of daily Treasury statements from 1920 to date, see p. 519)

End of fiscal year or month	Bonds		Notes <sup>2</sup>	Certificates of indebtedness and Treasury bills	Special issues to Government agencies and trust funds	Total interest-bearing debt	Matured debt on which interest has ceased	Debt bearing no interest	Total gross debt
	United States savings bonds	Other							
June 30—									
1916.....		\$967	\$4			\$972	\$1	\$252	\$1,225
1917.....		2,412	27	\$273		2,713	14	249	2,976
1918.....		9,911	369	1,706		11,986	20	238	12,244
1919.....		17,188	4,422	3,625		25,234	11	236	25,482
1920.....		16,218	5,075	2,769		24,063	7	230	24,299
1921.....		16,119	4,920	2,700		23,739	11	228	23,977
1922.....		15,965	4,916	1,829		22,710	25	228	22,963
1923.....		16,535	4,441	1,031		22,007	99	244	22,350
1924.....		16,025	4,148	808		20,981	30	239	21,251
1925.....		16,842	2,740	533	\$95	20,211	30	275	20,516
1926.....		16,928	1,799	453	204	19,384	13	246	19,643
1927.....		15,222	1,986	686	359	18,253	15	245	18,512
1928.....		13,021	2,582	1,252	462	17,318	45	241	17,604
1929.....		12,125	2,267	1,640	607	16,639	51	241	16,931
1930.....		12,111	1,626	1,420	764	15,922	32	232	16,185
1931.....		13,531	452	2,246	291	16,520	52	230	16,801
1932.....		14,250	1,261	3,341	309	19,161	60	266	19,487
1933.....		14,223	4,548	3,063	323	22,158	66	315	22,539
1934.....		16,510	6,653	2,921	396	26,480	54	518	27,053
1935.....	\$62	14,874	10,023	2,053	633	27,645	231	825	28,701
1936.....	316	18,312	11,381	2,354	626	32,989	169	620	33,779
1937.....	800	20,522	10,617	2,303	1,558	35,800	119	506	36,425
1938.....	1,238	22,361	9,147	1,154	2,676	36,576	141	447	37,165
1939.....	1,868	25,698	7,243	1,308	3,770	39,886	142	411	40,440
1940.....	2,905	27,012	6,383	1,302	4,775	42,376	205	386	42,968
1941.....	4,314	30,652	5,698	1,603	6,120	48,387	205	369	48,961
1942.....	10,188	38,588	9,703	5,604	7,885	71,968	98	356	72,422
1943.....	21,256	58,164	16,663	28,425	10,871	135,380	141	1,175	136,696
1944.....	34,606	80,132	26,962	43,557	14,287	199,543	201	1,259	201,003
End of month—									
1943—July.....	22,030	58,177	19,553	29,021	11,456	140,238	113	1,173	141,524
August.....	22,684	58,199	19,578	30,343	11,907	142,721	164	1,174	144,059
September.....	24,478	66,221	20,446	34,190	11,717	157,053	124	1,172	158,349
October.....	26,056	68,696	20,705	36,264	11,868	163,589	291	1,167	165,047
November.....	26,697	68,756	20,874	36,177	12,278	164,781	209	1,168	166,158
December.....	27,363	68,766	19,761	35,915	12,703	164,508	202	1,168	165,877
1944—January.....	28,901	68,766	20,559	35,944	12,873	167,043	258	3,357	170,659
February.....	31,515	74,712	23,522	38,792	13,168	181,709	241	1,157	183,107
March.....	31,974	73,681	25,360	38,827	13,507	183,348	182	1,185	184,715
April.....	32,497	73,408	25,355	38,456	13,697	183,413	352	1,202	184,967
May.....	32,987	73,420	25,314	39,031	14,122	184,874	260	1,232	186,366
June.....	34,606	80,132	26,962	43,557	14,287	199,543	201	1,259	201,003

NOTE.—Figures are rounded and will not necessarily add to totals. For monthly figures, on a revised basis, back to June 1916, see annual report for 1936, p. 413, and corresponding tables in subsequent reports.

<sup>1</sup> For an analysis of the items included in each category in this table, see the monthly Statements of the Public Debt of the United States for 1916 through 1919, and the daily Treasury statements for the end of the fiscal year or month from 1920 through December 1942 and thereafter the daily Treasury statement for the first day of each month. Details for June 30, 1944, are shown in table 22, on p. 605 of this report.<sup>2</sup> Includes old Treasury (war) savings securities from 1918 through 1929.<sup>3</sup> Includes \$2,193 millions of deposits with Treasurer of the United States representing prepayments on account of principal of securities dated Feb. 1, 1944, sold in the Fourth War Loan drive beginning Jan. 18, 1944.





## Public debt operations

TABLE 26. — *Public debt receipts and expenditures, monthly July 1943 through June 1944, with totals for the fiscal years 1943 and 1944*<sup>1</sup>

(On basis of daily Treasury statements, see p. 519)

	Fiscal year 1944					
	July 1943	August 1943	September 1943	October 1943	November 1943	December 1943
<b>Public issues:</b>						
Cash:						
Treasury bills	\$4,010,992,000.00	\$4,008,179,000.00	\$5,035,161,000.00	\$4,021,100,000.00	\$4,017,561,000.00	\$5,034,451,000.00
Certificates of indebtedness		989,099,000.00	3,638,840,000.00	2,062,946,000.00	29,000.00	35,000.00
Certificates of indebtedness, special series			491,000,000.00			
Treasury notes	2,707,189,000.00	100,000.00	2,259,996,000.00	480,690,000.00	330,199,000.00	436,812,300.00
Treasury notes (tax series and savings series)	414,622,550.00	213,470,400.00	7,923,255,000.00	2,722,176,500.00	17,584,000.00	97,500.00
Treasury bonds	25,000.00	2,000.00	7,923,255,000.00	1,731,274,861.04	811,524,523.29	872,639,623.17
United States savings bonds <sup>2</sup>	912,324,273.38	815,346,138.50	1,940,135,415.47	1,731,274,861.04	39,564,740.75	43,585,356.69
United States savings stamps	30,770,188.24	29,313,111.89	28,007,491.90	35,462,371.13	8,289,500.00	7,169,000.00
Depository bonds	13,585,000.00	22,235,000.00	93,365,500.00	30,208,500.00		
Deposits for retirement of Federal Reserve Bank notes	8,880,000.00	8,640,000.00	5,600,000.00	2,600,000.00	2,800,000.00	3,200,000.00
Subtotal	8,097,798,011.62	6,086,384,650.39	21,421,953,407.37	11,056,458,232.17	5,227,551,764.04	6,397,989,779.86
Adjusted service bonds			42,350.00	67,800.00	56,300.00	56,650.00
Excess profits tax refund bonds	57,290.00	53,700.00				11,399.73
Exchanges:						
Certificates of indebtedness		1,556,293,000.00		1,038,980,000.00		3,539,755,000.00
Treasury notes						
Treasury notes (tax series and savings series)						
Treasury bonds					34,106,400.00	3,968,500.00
Subtotal		1,556,293,000.00		3,062,240,600.00	34,106,400.00	3,543,723,500.00
						12,000.00
						12,000.00

	Fiscal year 1944					Total fiscal year 1944	Total fiscal year 1943
	February 1944	March 1944	April 1944	May 1944	June 1944		
Public issues:							
Cash:							
Treasury bills.....	\$4,028,362,000.00	\$5,069,753,000.00	\$4,051,537,000.00	\$4,644,481,000.00	\$6,038,086,000.00	\$54,008,810,000.00	\$82,646,996,000.00
Certificates of indebtedness.....	3,958,435,000.00	122,000.00	5,000.00			15,295,918,000.00	3,165,693,693,000.00
Certificates of indebtedness, special series.....							
Treasury notes.....		1,846,810,350.00	9,999,350.00		1,286,246,000.00	4,585,461,950.00	3,748,628,108.00
Treasury notes (tax series and savings series).....		238,123,000.00	299,749,300.00		145,128,400.00	8,353,707,450.00	8,690,219,806.00
Treasury bonds.....	1,017,081,700.00	59,574,300.00	19,685,200.00	8,769,000.00	1,922,274,900.00	23,363,839,000.00	19,890,071,906.00
Treasury bonds (tax series and savings series).....	4,833,733,100.00	726,654,105.72	700,110,040.73	769,099,574.25	1,866,729,682.82	13,720,857,893.76	11,916,301,877.89
United States savings bonds <sup>2</sup> .....	2,798,963,841.99	40,029,017.58	35,716,598.54	30,748,360.16	22,695,894.62	408,930,220.94	3,604,399,671.04
United States savings stamps.....	34,992,660.33				5,696,000.00		147,277,256.00
Depository bonds.....	18,349,500.00	37,825,000.00	14,969,000.00	13,244,000.00		285,896,500.00	
Deposits for retirement of Federal Reserve Bank notes.....	1,200,000.00	600,000.00	400,000.00	600,000.00		36,720,000.00	622,977,500.00
Subtotal.....	16,691,117,802.32	8,019,491,973.30	5,192,171,489.27	5,613,182,984.41	21,405,669,417.44	124,448,841,014.70	112,871,565,098.93
Adjusted service bonds.....	94,700.00	191,350.00	149,150.00	258,350.00	249,300.00	1,379,800.00	733,800.00
Excess profits tax refund bonds.....	1,431,734.91	38,386,536.12	23,558,596.31	33,649,320.87	36,579,639.94	134,032,175.28	
Exchanges:							
Certificates of indebtedness.....			4,876,664,000.00	1,614,806,000.00		13,526,498,000.00	1,373,451,000.00
Treasury notes.....	2,126,896,000.00	1,879,108,050.00	10,027,450.00	638,550.00	a 2,000.00	4,016,668,050.00	68,313,125.00
Treasury notes (tax series and savings series).....							
Treasury bonds.....		67,230,700.00	16,333,500.00	2,183,900.00	3,900.00	1,247,099,500.00	
Subtotal.....	2,126,896,000.00	1,946,338,750.00	4,903,024,950.00	1,617,628,450.00	1,900.00	18,790,265,550.00	1,441,764,125.00

Footnotes at end of table.

TABLE 26.—Public debt receipts and expenditures, monthly July 1943 through June 1944, with totals for the fiscal years 1943 and 1944—Con.

	Fiscal year 1944						
	July 1943	August 1943	September 1943	October 1943	November 1943	December 1943	January 1944
<b>Special issues:</b>							
Adjusted service certificate fund (certificates).....	\$38,000,000.00	\$302,000,000.00	\$32,000,000.00	\$28,000,000.00	\$288,000,000.00	\$39,000,000.00	\$18,400,000.00
Unemployment trust fund (certificates).....							71,000,000.00
<b>Federal old-age and survivors insurance trust fund (certificates).....</b>							
<b>Federal old-age and survivors insurance trust fund (notes).....</b>							
Railroad retirement account (notes).....	160,000,000.00		225,000,000.00	33,000,000.00		280,000,000.00	34,000,000.00
Civil service retirement fund (notes).....	192,755,000.00	16,438,000.00	14,449,000.00	12,056,000.00	13,948,000.00	13,624,000.00	15,280,000.00
Foreign service retirement fund (notes).....	1,040,000.00						
Canal Zone retirement fund (notes).....	1,177,000.00			18,000.00			
Alaska Railroad retirement fund (notes).....	175,000.00						
Postal Savings System (notes).....	95,000,000.00	65,000,000.00		15,000,000.00	35,000,000.00		
Canal Zone Postal Savings System (notes).....			500,000.00				
Government life insurance fund (notes).....	3,000,000.00	6,030,000.00	8,400,000.00	1,650,000.00	2,000,000.00	3,700,000.00	2,700,000.00
National service life insurance fund (notes).....	53,700,000.00	55,800,000.00	52,640,000.00	72,500,000.00	80,600,000.00	64,300,000.00	62,200,000.00
Federal Deposit Insurance Corporation (notes).....	59,000,000.00	15,000,000.00					
Federal Savings and Loan Insurance Corporation (notes).....	500,000.00	500,000.00	1,000,000.00		1,000,000.00	1,000,000.00	5,884,000.00
<b>Subtotal.....</b>	604,347,000.00	461,768,000.00	336,349,000.00	162,224,000.00	420,548,000.00	436,624,000.00	209,464,000.00
<b>Total public debt receipts.....</b>	8,702,202,211.62	8,104,499,350.39	21,748,344,757.37	14,280,900,632.17	5,682,262,464.04	10,378,404,729.50	9,449,066,599.91

	Fiscal year 1944					Total fiscal year 1944	Total fiscal year 1943
	February 1944	March 1944	April 1944	May 1944	June 1944		
Special issues:							
Adjusted service certificate fund (certificates)						\$18,400,000.00	\$18,500,000.00
Unemployment trust fund (certificates)	\$261,000,000.00	\$39,000,000.00	\$28,000,000.00	\$280,000,000.00	\$5,615,000,000.00	7,022,000,000.00	5,359,000,000.00
Federal old-age and survivors insurance trust fund (certificates)					380,000,000.00	380,000,000.00	
Federal old-age and survivors insurance trust fund (notes)		144,000,000.00					
Railroad retirement account (notes)			34,500,000.00		7,000,000.00	649,000,000.00	1,434,000,000.00
Civil service retirement fund (notes)			10,950,000.00			268,500,000.00	213,000,000.00
Foreign service retirement fund (notes)	12,869,000.00	13,240,000.00		11,845,000.00	188,647,000.00	516,101,000.00	418,903,000.00
Canal Zone retirement fund (notes)					729,000.00	1,769,000.00	1,411,000.00
Alaska Railroad retirement fund (notes)					656,000.00	1,831,000.00	1,881,000.00
Postal Savings System (notes)		10,000.00	15,000.00		199,000.00	399,000.00	477,000.00
Canal Zone, Postal Savings System (notes)	65,000,000.00	35,000,000.00	53,000,000.00	42,000,000.00		472,000,000.00	312,000,000.00
Government life insurance fund (notes)	750,000.00					1,259,000.00	2,500,000.00
National service life insurance fund (notes)	6,380,000.00	21,231,000.00	10,859,000.00	12,677,000.00	25,800,000.00	96,827,000.00	54,175,000.00
National deposit life insurance fund (notes)	44,300,000.00	84,500,000.00	60,200,000.00	89,000,000.00	142,000,000.00	861,700,000.00	312,950,000.00
Federal Deposit Insurance Corporation (notes)	16,000,000.00		5,000,000.00			95,000,000.00	83,000,000.00
Federal Savings and Loan Insurance Corporation (notes)	500,000.00	13,200,000.00	500,000.00		2,000,000.00	26,084,000.00	106,028,000.00
Subtotal	406,799,000.00	350,181,000.00	203,024,000.00	435,522,000.00	6,394,031,000.00	10,410,881,000.00	8,317,825,000.00
Total public debt receipts	19,226,339,237.23	10,354,589,609.42	10,321,928,185.58	7,700,241,105.28	27,836,530,657.38	153,785,399,539.98	122,631,888,023.93

Footnotes at end of table.

TABLE 26.—Public debt receipts and expenditures, monthly July 1943 through June 1944, with totals for the fiscal years 1943 and 1944.—Con.

	Fiscal year 1944					
	July 1943	August 1943	September 1943	October 1943	November 1943	December 1943
<b>EXPENDITURES</b>						
<b>Public issues:</b>						
Cash:						
Treasury bills	\$3,414,603,000.00	\$3,630,418,000.00	\$4,824,156,000.00	\$4,011,773,000.00	\$4,003,178,000.00	\$5,034,852,000.00
Certificates of indebtedness	5,803,000.00	49,739,200.00	3,030,050.00	1,522,300.00	92,575,150.00	245,921,000.00
Treasury notes			491,000,000.00			
Treasury notes (tax series and savings series):	4,116,100.00	1,003,700.00	277,809,875.00	5,214,475.00	4,999,700.00	411,810,700.00
Cash redemptions						
Received for taxes	17,092,350.00	27,910,875.00	35,983,100.00	22,631,975.00	39,302,550.00	71,175,225.00
Treasury bonds	214,444,675.00	39,173,100.00	1,111,334,030.00	181,009,975.00	121,894,030.00	1,008,282,400.00
United States savings bonds	17,713,875.00	5,106,850.00	5,294,750.00	100,415,850.00	51,318,950.00	16,007,750.00
United States savings stamps	138,242,920.75	152,044,293.40	155,278,476.41	143,712,163.94	170,480,581.36	200,871,918.61
Depository bonds	36,843,101.55	32,430,095.65	31,305,593.70	38,973,101.75	35,091,487.55	42,936,554.25
Adjusted service bonds	5,000.00				19,500.00	836,000.00
Postal savings bonds	694,400.00	581,000.00	586,400.00	407,800.00	335,000.00	423,850.00
Other debt items	16,700.00		1,300.00			
National and Federal Reserve bank notes	129,876.75	73,923.50	182,696.00	203,570.25	96,148.25	196,578.75
	5,627,432.00	4,231,100.00	5,171,477.00	4,014,476.00	5,931,370.00	4,708,495.00
Subtotal	3,854,734,431.05	4,002,712,137.55	6,941,643,768.11	4,510,538,686.94	4,525,182,487.16	7,104,622,471.61
<b>Exchanges:</b>						
Certificates of indebtedness						
Treasury notes		1,556,293,000.00		1,938,980,000.00		3,539,755,000.00
Treasury notes (tax series)						
Treasury bonds				1,123,200,600.00	34,106,400.00	3,968,500.00
Subtotal		1,556,293,000.00		3,062,240,600.00	34,106,400.00	3,543,723,500.00
						12,000.00
						12,000.00

	Fiscal year 1944					Total fiscal year 1944	Total fiscal year 1943
	February 1944	March 1944	April 1944	May 1944	June 1944		
EXPENDITURES							
Public issues:							
Cash:							
Treasury bills	\$4, 017, 680, 000.00	\$5, 030 015, 000.00	\$4 054, 945, 000.00	\$4, 027, 207, 000.00	\$5, 066, 912, 000.00	\$51, 146, 542, 000.00	\$23, 306, 891, 000.00
Certificates of indebtedness	85, 825, 500.00	3, 139, 000.00	325, 740, 250.00	55, 307, 150.00	21, 525, 350.00	901, 078, 950.00	3, 219, 905, 350.00
Certificates of indebtedness, special series						491, 000, 000.00	17, 911, 000, 000.00
Treasury notes	a 2, 247, 300.00	28, 884, 900.00	1, 963, 750.00	726, 300.00	144, 468, 800.00	890, 402, 700.00	1, 269, 042, 450.00
Treasury notes (tax series and savings series):							
Cash redemptions	45, 916, 825.00	52, 902, 100.00	39, 516, 575.00	38, 632, 650.00	73, 877, 850.00	502, 065, 275.00	114, 888, 775.00
Received for taxes	144, 709, 425.00	1, 344, 857, 175.00	293, 816, 525.00	155, 065, 850.00	1, 354, 017, 675.00	6, 365, 125, 675.00	4, 094, 405, 350.00
Treasury bonds	8, 238, 450.00	8, 813, 650.00	157, 846, 550.00	68, 480, 950.00	29, 098, 875.00	485, 059, 300.00	400, 677, 075.00
United States savings bonds	184, 799, 461.97	268, 082, 340.90	237, 119, 149.09	278, 800, 975.55	247, 578, 095.65	2, 370, 883, 252.58	848, 323, 795.89
United States savings stamps	39, 322, 131.35	44, 784, 343.00	35, 134, 258.25	28, 745, 031.00	24, 584, 382.55	391, 049, 735.80	391, 049, 735.80
Depository bonds	9, 467, 000.00	379, 000.00	924, 000.00	11, 936, 000.00	279, 000.00	37, 440, 000.00	65, 000.00
Adjusted service bonds	441, 100.00	382, 400.00	287, 400.00	333, 800.00	1, 009, 500.00	5, 998, 950.00	7, 339, 500.00
Postal savings bonds		300.00		4, 000.00		32, 700.00	
Other debt items	182, 229.75	81, 315.77	244, 300.25	244, 680.00	267, 462.50	2, 015, 348.52	4, 260, 331.56
National and Federal Reserve bank notes	5, 553, 045.00	6, 387, 005.00	7, 046, 935.00	6, 496, 516.00	7, 447, 975.00	70, 019, 841.00	16, 761, 622.00
Subtotal	4, 539, 888, 268.07	6, 788, 708, 289.67	5, 154, 584, 692.59	4, 672, 130, 902.55	6, 971, 066, 965.70	63, 693, 431, 098.75	51, 584, 642, 685.25
Exchanges:							
Certificates of indebtedness	2, 126, 896, 000.00		4, 876, 664, 000.00	1, 614, 806, 000.00		15, 653, 394, 000.00	1, 373, 451, 000.00
Treasury notes		750, 486, 100.00	1, 831, 000.00	300, 000.00		752, 617, 100.00	
Treasury notes (tax series)					1, 900.00		68, 313, 125.00
Treasury bonds		1, 195, 852, 650.00	24, 529, 950.00	2, 522, 450.00		2, 384, 254, 450.00	
Subtotal	2, 126, 896, 000.00	1, 946, 338, 750.00	4, 903, 024, 950.00	1, 617, 628, 450.00	1, 900.00	18, 790, 265, 550.00	1, 441, 764, 125.00

Footnotes at end of table.

TABLE 26.—Public debt receipts and expenditures, monthly July 1943 through June 1944, with totals for the fiscal years 1943 and 1944<sup>1</sup>—Con.

	Fiscal year 1944						
	July 1943	August 1943	September 1943	October 1943	November 1943	December 1943	January 1944
EXPENDITURES—Continued							
Special issues:							
Adjusted service certificate fund (certificates).....	\$40,000.00		\$200,000.00		\$85,000.00	\$95,000.00	\$17,898,000.00
Unemployment trust fund (certificates).....							
Federal old-age and survivors insurance trust fund (notes).....	13,000,000.00						11,000,000.00
Railroad retirement account (notes).....	6,000,000.00	\$11,000,000.00	11,000,000.00	\$11,000,000.00	11,000,000.00	11,000,000.00	11,000,000.00
Civil service retirement fund (notes).....					49,000.00		
Foreign service retirement fund (notes).....		39,000.00	46,000.00	47,000.00	42,000.00	32,000.00	42,000.00
Canal Zone retirement fund (notes).....	7,000.00	30,000.00	1,000.00	10,000.00	20,000.00	28,000.00	16,000.00
Alaska Railroad retirement fund (notes).....	6,000.00	8,000.00	8,000.00	13,000.00	7,000.00	5,000.00	8,000.00
Postal Savings System (notes).....			257,000,000.00				
Canal Zone, Postal Savings System (notes).....			47,830,000.00				
Government life insurance fund (notes).....			100,000,000.00				
Federal Deposit Insurance Corporation (notes).....							
Federal Savings and Loan Insurance Corporation (notes).....			100,000,000.00				
Subtotal.....	19,103,000.00	11,077,000.00	516,085,000.00	11,070,000.00	11,203,000.00	11,180,000.00	39,964,000.00
Total public debt expenditures.....	3,873,837,431.05	5,570,082,137.55	7,457,728,768.11	7,583,819,286.94	4,570,491,887.16	10,659,525,971.61	4,667,593,997.75
Excess of receipts or expenditures (—).....	4,828,304,780.57	2,534,417,212.84	14,290,615,989.26	6,697,141,345.23	1,111,770,576.88	—281,121,242.02	4,781,472,002.16



	Fiscal year 1944					Total fiscal year 1944	Total fiscal year 1943
	February 1944	March 1944	April 1944	May 1944	June 1944		
<b>EXPENDITURES—Continued</b>							
Special issues:							
Adjusted service certificate fund (certificates).....	\$75,000.00	\$150,000.00	\$300,000.00	\$200,000.00	\$685,000.00	\$19,778,000.00	\$18,667,000.00
Unemployment trust fund (certificates).....					5,669,000,000.00	5,669,000,000.00	4,216,000,000.00
Federal old-age and survivors insurance trust fund (notes) <sup>1</sup> .....	11,000,000.00	11,000,000.00	12,000,000.00	11,000,000.00	283,000,000.00	307,000,000.00	523,800,000.00
Railroad retirement account (notes).....					11,000,000.00	128,000,000.00	126,500,000.00
Civil service retirement fund (notes).....	24,000.00	30,000.00	50,000.00	30,000.00	125,460,000.00	125,500,000.00	141,232,000.00
Foreign service retirement fund (notes).....	25,000.00	30,000.00	18,000.00	15,000.00	470,000.00	872,000.00	738,000.00
Canal Zone retirement fund (notes).....	2,000.00				424,000.00	624,000.00	599,000.00
Alaska Railroad retirement fund (notes).....	85,000,000.00				133,000.00	196,000.00	225,000.00
Postal Savings System (notes).....					63,000,000.00	405,000,000.00	170,000,000.00
Canal Zone, Postal Savings System (notes).....					75,047,000.00	132,927,000.00	1,250,000.00
Government life insurance fund (notes).....	10,050,000.00					52,825,000.00	75,000,000.00
Federal Deposit Insurance Corporation (notes).....						100,000,000.00	
Federal Savings and Loan Insurance Corporation (notes).....	5,500,000.00					105,500,000.00	5,000,000.00
Subtotal.....	111,676,000.00	11,210,000.00	12,368,000.00	11,245,000.00	6,228,225,000.00	6,994,406,000.00	5,331,836,000.00
Total public debt expenditures.....	6,778,460,268.07	8,746,257,039.67	10,069,977,612.59	6,301,004,352.55	13,199,293,865.70	89,478,102,648.75	58,358,242,810.25
Excess of receipts.....	12,447,878,969.16	1,608,332,569.75	251,950,542.99	1,399,236,752.73	14,637,236,791.08	64,307,296,891.25	64,273,645,213.68

<sup>1</sup> Counter entry (deduct).

<sup>2</sup> For figures for fiscal years 1933 to 1936, see annual report for 1937, p. 336, and for later years see corresponding tables in subsequent reports.

<sup>3</sup> Includes accrued discount.

<sup>4</sup> Includes \$281,732,000 of 3½% Treasury certificates of indebtedness of Series C-1944, exchanged for 3½% Commodity Credit Corporation notes of Series F-1943.

<sup>5</sup> Includes in the respective classifications \$1,857,929,900 of 1½% Treasury notes of Series A-1948, \$90,705,150 of 2½% Treasury bonds of 1956-59, and \$34,947,356 of 2½% Treasury bonds of 1965-70, exchanged for \$75,800,700 of 3¼% Federal Farm Mortgage

Corporation bonds of 1944-64, called for redemption on Mar. 15, 1944, \$704,924,700 of 3% Federal Farm Mortgage Corporation bonds of 1944-49, called for redemption on May 15, 1944, \$559,124,000 of 1% Reconstruction Finance Corporation notes of Series W, maturing Apr. 15, 1944, and \$603,733,050 of 3% Home Owners' Loan Corporation bonds, Series A-1944-52, called for redemption on May 1, 1944.

<sup>6</sup> Includes \$104,758,993.60 deposited by Postal Savings System to cover outstanding postal savings stamps, liability for which was transferred from the Postal Savings System to the Treasury as a public debt obligation, pursuant to sec. 5 of the Public Debt Act of 1942, approved Mar. 28, 1942.

TABLE 27.—*Changes in the public debt by issues, fiscal year 1944*

[On basis of daily Treasury statement adjusted to Public Debt accounts, see p. 519]

Detail	Outstanding July 1, 1943	Issues during year	Transferred from interest-bearing debt	Redemptions dur- ing year	Transferred to matured debt	Outstanding June 30, 1944
	Interest-bearing debt					
<b>PUBLIC ISSUES</b>						
Bonds:						
3% Panama Canal loan of 1961	\$49,800,000.00					\$49,800,000.00
3% Conversion bonds of 1946	15,761,000.00					15,761,000.00
3% Conversion bonds of 1947	13,133,500.00					13,133,500.00
2½% Postal savings bonds (27th to 49th series)	117,265,920.00			\$32,560.00	\$1,000.00	117,232,360.00
Total postal savings bonds, etc.	195,960,420.00			32,560.00	1,000.00	195,926,860.00
Treasury bonds:						
4½% of 1947-52	758,945,800.00					758,945,800.00
4% of 1944-54	1,036,692,400.00					1,036,692,400.00
3¾% of 1946-56	489,080,100.00					489,080,100.00
3½% of 1946-49	818,627,000.00					818,627,000.00
3% of 1951-55	755,431,000.00					755,431,000.00
3¼% of 1943-45	1,400,528,250.00			1,376,079,900.00	24,448,350.00	
3¼% of 1944-46	1,518,737,650.00			1,440,942,175.00	77,795,475.00	
3% of 1946-48	1,035,873,400.00					
3½% of 1949-52	491,375,100.00					
2½% of 1955-60	2,611,092,150.00					2,611,092,150.00
2¾% of 1945-47	1,214,428,950.00					1,214,428,950.00
2¼% of 1948-51	1,223,495,850.00					1,223,495,850.00
2½% of 1951-54	1,626,087,150.00					1,626,087,150.00
2½% of 1956-59	981,826,050.00					981,826,050.00
2½% of 1949-53	1,786,127,100.00			150.00		1,786,126,950.00
2½% of 1945	540,843,550.00					540,843,550.00
2½% of 1948	450,978,400.00					450,978,400.00
2½% of 1958-63	918,780,600.00					918,780,600.00
2½% of 1950-52	1,185,841,200.00					1,185,841,200.00
2½% of 1960-65	1,485,384,600.00					1,485,384,600.00
2% of 1947	701,072,900.00					701,072,900.00
2% of 1948-50 (dated Dec. 8, 1939)	571,431,150.00					571,431,150.00
2¼% of 1951-53	1,118,051,100.00					1,118,051,100.00
2¼% of 1954-56	680,692,350.00					680,692,350.00
2% of 1953-55	724,677,900.00					724,677,900.00
2% of 1948-50 (dated Mar. 15, 1941)	1,115,368,400.00					1,115,368,400.00
2½% of 1952-54	1,023,568,350.00					1,023,568,350.00
2½% of 1956-58	1,448,747,650.00					1,448,747,650.00
2½% of 1967-72	2,716,045,150.00					2,716,045,150.00

2% of 1951-55	510,413,950.00					510,413,950.00
2% of 1949-51 (dated Jan. 15, 1942)	1,014,018,900.00					1,014,018,900.00
2 1/2% of 1962-55	1,500,781,300.00					1,500,781,300.00
2 1/2% of 1962-47	2,118,164,500.00					2,118,164,500.00
2% of 1949-51 (dated May 15, 1942)	1,292,444,100.00					1,292,444,100.00
2% of 1949-51 (dated July 15, 1942)	2,097,617,600.00					2,097,617,600.00
2% of 1950-52 (dated Oct. 19, 1942)	1,962,688,300.00					1,962,688,300.00
1 1/2% of 1948	3,061,856,000.00					3,061,856,000.00
2% of 1963-68	2,830,914,000.00					2,830,914,000.00
2% of 1950-52 (dated Apr. 15, 1943)	4,939,236,000.00					4,939,236,000.00
2 1/2% of 1964-69 (dated Apr. 15, 1943)	3,761,902,000.00					3,761,902,000.00
2 1/2% of 1964-69 (dated Sept. 15, 1943)						
2 1/2% of 1956-59						
2 1/2% of 1960-70						
2 1/2% of 1965-70 (additional issue)						
2% of 1952-54						
Total Treasury bonds	57,520,467,900.00	24,642,938,500.00	2,817,058,225.00	102,243,825.00		79,244,104,350.00
United States savings bonds: 1						
A-1935	174,362,068.00	7,605,614.50	2,972,986.50			178,994,696.00
B-1936	311,616,307.00	12,224,455.25	5,201,489.25			318,639,273.00
C-1937	404,005,241.00	9,365,514.25	7,399,287.25			405,971,468.00
C-1938	485,673,055.75	11,532,520.50	9,543,917.50			487,691,628.75
D-1939	798,754,877.50	19,411,383.00	17,705,285.50			800,460,975.00
D-1940	990,037,491.50	24,596,323.25	24,635,203.75			989,998,611.00
D-1941	443,554,570.50	11,301,063.25	11,805,629.25			443,049,944.50
E-1941	1,269,053,998.66	17,743,621.91	46,017,980.40			1,249,779,640.17
F-1941	294,530,046.05	3,039,863.12	8,271,470.43			219,299,370.74
G-1941	1,241,706,800.00	30,700.00	24,487,000.00			1,217,299,900.00
F-1942	5,633,640,333.19	125,973,448.50	428,676,728.32			5,339,937,033.37
F-1942	639,470,450.75	5,800,493.42	27,592,555.84			617,678,388.33
G-1942	2,462,363,000.00	442,900.00	61,330,800.00			2,401,475,100.00
F-1943	4,255,706,551.89	6,027,920,024.36	1,377,385,717.89			8,906,240,838.36
F-1943	378,286,666.50	352,379,214.90	21,137,708.70			709,528,172.70
G-1943	1,415,161,500.00	1,181,477,400.00	46,534,300.00			2,550,104,600.00
E-1944		5,714,707,708.75	247,847,762.50			5,466,860,006.25
F-1944		449,856,330.00	655,029.50			449,201,300.50
G-1944		1,693,645,600.00	1,681,800.00			1,691,983,800.00
Unclassified sales	108,242,685.12	51,763,682.80				160,006,367.92
Total United States savings bonds	21,256,166,543.41	15,720,857,893.76	2,370,883,252.58			34,606,141,184.59
2% Depository bonds:						
First Series	226,165,250.00	185,703,500.00	26,808,000.00			385,070,750.00
Second Series		99,893,000.00	10,632,000.00			89,261,000.00
Total depository bonds	226,165,250.00	285,596,500.00	37,440,000.00			474,321,750.00
3% Adjusted service bonds of 1915	221,902,200.00	1,379,800.00	5,968,950.00			217,283,050.00
Footnotes at end of table.						

TABLE 27.—Changes in the public debt by issues, fiscal year 1944—Continued

Detail	Outstanding July 1, 1943	Issues during year	Transferred from interest-bearing debt	Redemptions dur- ing year	Transferred to matured debt	Outstanding June 30, 1944
<b>PUBLIC ISSUES—Continued</b>						
Interest-bearing debt—Continued						
Treasury notes:						
Regular series:						
1½% B-1943.....	\$420,971,000.00			\$420,351,000.00	\$520,000.00	
1% C-1943.....	279,473,800.00			278,518,800.00	955,000.00	
3½% A-1944.....	415,519,000.00			413,091,900.00	2,427,100.00	
1% B-1944.....	515,210,400.00			513,281,500.00	1,928,900.00	
1% C-1944.....	283,006,000.00					\$283,006,000.00
3% A-1945.....	718,011,700.00			500.00		718,011,200.00
0.90% D-1945.....	1,606,204,500.00	\$2,126,896,000.00				1,606,204,500.00
1% B-1946.....	502,866,000.00					2,126,896,000.00
1½% B-1946.....	3,260,777,000.00					502,866,000.00
1½% A-1947.....		2,707,289,000.00				3,260,777,000.00
1½% B-1947.....		1,286,243,000.00				2,707,289,000.00
1½% A-1948.....		3,747,702,000.00				1,286,243,000.00
National defense series:						
¾% D-1944.....	635,064,400.00					3,747,702,000.00
¾% B-1945.....	530,838,700.00			1,000.00		635,064,400.00
Tax series:						
A-1943.....	7,781,700.00			6,974,250.00	807,450.00	
B-1943.....	73,941,550.00			71,107,050.00	2,834,500.00	
A-1944.....	18,748,300.00			16,495,975.00	2,252,325.00	
B-1944.....	690,816,500.00			671,507,600.00	19,308,900.00	
A-1945.....	240,182,975.00	12,950.00		131,174,175.00		109,021,750.00
Savings series:						
C-1945.....	2,945,848,000.00	50,000.00		1,389,057,200.00		1,556,840,800.00
C-1946.....	3,518,127,000.00	4,163,841,600.00		3,598,118,400.00		4,083,820,200.00
C-1947.....		4,789,802,900.00		982,726,300.00		3,807,076,600.00
Total Treasury notes.....	16,603,388,525.00	18,821,837,450.00		8,492,435,650.00	31,134,175.00	26,961,656,150.00
Certificates of indebtedness:						
¾% B-1943.....	1,609,332,000.00			1,609,239,000.00	93,000.00	
¾% D-1943.....	2,035,254,000.00			2,035,180,000.00	74,000.00	
¾% E-1943.....	3,799,736,000.00			3,798,630,000.00	1,106,000.00	
¾% A-1944.....	2,211,161,000.00			2,210,572,000.00	589,000.00	
¾% B-1944.....	5,290,631,000.00			5,236,509,950.00	14,121,050.00	
¾% C-1944.....	1,655,303,000.00			1,654,893,000.00	410,000.00	
¾% D-1944.....		2,545,392,000.00				2,545,392,000.00

Treasury bills (maturity value), series maturing:	Total certificates of indebtedness							
	16,561,417,000.00	28,822,416,000.00	4,121,783,000.00	3,519,047,000.00	16,545,023,950.00	16,393,050.00	28,822,416,000.00	4,121,783,000.00
7½% E-1944	804,718,000.00	804,718,000.00	804,718,000.00	3,519,047,000.00	804,718,000.00	1,000.00	804,718,000.00	3,519,047,000.00
7½% F-1944	803,964,000.00	803,964,000.00	803,964,000.00	3,539,755,000.00	803,964,000.00	5,000.00	803,964,000.00	3,539,755,000.00
7½% G-1944	904,650,000.00	904,650,000.00	904,650,000.00	5,048,179,000.00	904,650,000.00		904,650,000.00	5,048,179,000.00
7½% A-1945	901,758,000.00	901,758,000.00	901,758,000.00	4,876,729,000.00	901,758,000.00		901,758,000.00	4,876,729,000.00
7½% B-1945	901,820,000.00	901,820,000.00	901,820,000.00	3,356,790,000.00	901,820,000.00		901,820,000.00	3,356,790,000.00
7½% C-1945	906,997,000.00	906,997,000.00	906,997,000.00	1,614,741,000.00	906,997,000.00		906,997,000.00	1,614,741,000.00
7½% D-1945	907,785,000.00	907,785,000.00	907,785,000.00		907,785,000.00		907,785,000.00	
Aug. 12, 1943	905,415,000.00	905,415,000.00	905,415,000.00		905,415,000.00		905,415,000.00	
Aug. 19, 1943	906,009,000.00	906,009,000.00	906,009,000.00		906,009,000.00		906,009,000.00	
Aug. 26, 1943	908,689,000.00	908,689,000.00	908,689,000.00		908,689,000.00		908,689,000.00	
Sept. 2, 1943	1,000,489,000.00	1,000,489,000.00	1,000,489,000.00		1,000,489,000.00		1,000,489,000.00	
Sept. 9, 1943	1,006,631,000.00	1,006,631,000.00	1,006,631,000.00		1,006,631,000.00		1,006,631,000.00	
Sept. 16, 1943	1,005,366,000.00	1,005,366,000.00	1,005,366,000.00		1,005,366,000.00		1,005,366,000.00	
Sept. 23, 1943								
Sept. 30, 1943								
Oct. 7, 1943								
Oct. 14, 1943								
Oct. 21, 1943								
Oct. 28, 1943								
Nov. 4, 1943								
Nov. 12, 1943								
Nov. 18, 1943								
Nov. 26, 1943								
Dec. 2, 1943								
Dec. 9, 1943								
Dec. 16, 1943								
Dec. 23, 1943								
Dec. 30, 1943								
Jan. 6, 1944								
Jan. 13, 1944								
Jan. 20, 1944								
Jan. 27, 1944								
Feb. 3, 1944								
Feb. 10, 1944								
Feb. 17, 1944								
Feb. 24, 1944								
Mar. 2, 1944								
Mar. 9, 1944								
Mar. 16, 1944								
Mar. 23, 1944								
Mar. 30, 1944								

Footnotes at end of table.

TABLE 27.—Changes in the public debt by issues, fiscal year 1944—Continued

Detail	Outstanding July 1, 1943	Issues during year	Transferred from interest-bearing debt	Redemptions dur- ing year	Transferred to matured debt	Outstanding June 30, 1944
<b>PUBLIC ISSUES—Continued</b>						
Treasury bills (maturity value), series maturing—Con.						
Apr. 6, 1944		\$1,014,806,000.00		\$1,014,806,000.00		
Apr. 13, 1944		1,000,234,000.00		1,000,234,000.00		
Apr. 20, 1944		1,017,182,000.00		1,017,182,000.00		
Apr. 27, 1944		1,016,925,000.00		1,016,925,000.00		
May 4, 1944		1,002,280,000.00		1,002,280,000.00	\$58,000.00	
May 11, 1944		1,005,662,000.00		1,005,669,000.00	101,000.00	
May 18, 1944		1,012,743,000.00		1,012,688,000.00	55,000.00	
May 25, 1944		1,007,677,000.00		1,007,435,000.00	242,000.00	
June 1, 1944		1,007,386,000.00		1,006,793,000.00	593,000.00	
June 8, 1944		1,035,494,000.00		1,034,910,000.00	584,000.00	
June 15, 1944		1,016,136,000.00		1,016,031,000.00	105,000.00	
June 22, 1944		1,001,087,000.00		1,000,617,000.00	470,000.00	
June 29, 1944		1,009,650,000.00		1,005,461,000.00	4,189,000.00	
July 6, 1944		1,007,677,000.00				\$1,007,677,000.00
July 13, 1944		1,014,523,000.00				1,014,523,000.00
July 20, 1944		1,013,435,000.00				1,013,435,000.00
July 27, 1944		1,015,902,000.00				1,015,902,000.00
Aug. 3, 1944		1,017,106,000.00				1,017,106,000.00
Aug. 10, 1944		1,206,949,000.00				1,206,949,000.00
Aug. 17, 1944		1,206,312,000.00				1,206,312,000.00
Aug. 24, 1944		1,214,114,000.00				1,214,114,000.00
Aug. 31, 1944		1,215,335,000.00				1,215,335,000.00
Sept. 7, 1944		1,202,620,000.00				1,202,620,000.00
Sept. 14, 1944		1,200,955,000.00				1,200,955,000.00
Sept. 21, 1944		1,211,582,000.00				1,211,582,000.00
Sept. 28, 1944		1,207,594,000.00				1,207,594,000.00
Total Treasury bills	\$11,863,911,000.00	54,008,810,000.00		51,129,385,000.00	9,232,000.00	14,734,104,000.00
<b>SPECIAL ISSUES</b>						
Bonds:						
Adjusted service bonds (Government life insurance fund)	500,157,956.40					500,157,956.40
Treasury notes:						
Federal old-age and survivors insurance trust fund series	4,043,500,000.00	649,000,000.00		307,000,000.00		4,385,500,000.00
Railroad retirement fund series	178,000,000.00	208,500,000.00		128,000,000.00		318,500,000.00
Civil service retirement fund series:						
4% series	1,058,900,000.00	515,500,000.00		125,460,000.00		1,449,000,000.00
3% series	1,421,000.00	601,000.00		109,000.00		1,913,000.00

Foreign service retirement fund series.....	6, 115, 000.00	1, 739, 000.00	572, 000.00	7, 012, 000.00
Canal Zone retirement fund series:				
4% series.....	7, 960, 000.00	1, 833, 000.00	624, 000.00	9, 169, 000.00
3% series.....		18, 000.00		18, 000.00
Alaska Railroad retirement fund series.....		399, 000.00		1, 755, 000.00
Postal Savings System series.....	197, 000, 000.00	472, 000, 000.00	196, 000.00	264, 000, 000.00
Canal Zone Postal Savings System series.....	2, 250, 000.00	1, 250, 000.00	405, 000, 000.00	3, 500, 000.00
Government life insurance fund series.....	38, 000, 000.00	96, 827, 000.00	132, 927, 000.00	1, 900, 000.00
National service life insurance fund series.....	351, 725, 000.00	861, 700, 000.00	100, 000, 000.00	1, 213, 425, 000.00
Federal Deposit Insurance Corporation series.....	103, 000, 000.00	95, 000, 000.00		98, 000, 000.00
Federal Savings and Loan Insurance Corporation series.....	106, 078, 000.00	26, 084, 000.00	105, 500, 000.00	26, 662, 000.00
Certificates of indebtedness:				
Adjusted service certificate fund series.....	18, 268, 000.00	18, 400, 000.00	19, 778, 000.00	16, 890, 000.00
Unemployment trust fund series.....	4, 257, 000, 000.00	7, 022, 000, 000.00	5, 669, 000, 000.00	5, 610, 000, 000.00
Federal old-age and survivors insurance trust fund series.....		380, 000, 000.00		380, 000, 000.00
Special short-term.....		491, 000, 000.00	491, 000, 000.00	
Total special issues.....	10, 870, 926, 926.40	10, 901, 881, 000.00	7, 485, 406, 000.00	14, 287, 401, 956.40
Total all interest-bearing securities.....	135, 380, 305, 794.81	153, 205, 717, 143.76	88, 883, 663, 587.58	199, 543, 355, 300.99

Matured debt on which interest has ceased

Postal savings bonds, etc.:				
6% Oregon war debt.....	\$2, 100.00			\$2, 100.00
6% Compound interest notes (1864-66) <sup>1</sup> .....	156, 200.00		\$100.00	156, 200.00
4% Refunded loan of 1907 (refunding).....	343, 300.00		20.00	343, 300.00
4% Refunding certificates 1879.....	8, 220.00		10.00	8, 200.00
5% 1-year notes of 1863.....	29, 930.00			29, 920.00
6% Consols of 1867.....	83, 650.00			83, 650.00
4½% Funded loan of 1891 (refunding).....	18, 700.00			18, 700.00
5% Loan of 1904.....	13, 000.00			13, 000.00
3% Loan of 1908-18.....	102, 080.00			101, 040.00
4% Loan of 1925.....	16, 150.00		1, 040.00	8, 650.00
2½% Postal savings bonds.....	32, 280.00		7, 500.00	27, 820.00
2½% Consols of 1930.....	28, 050.00	\$1, 000.00	5, 400.00	27, 800.00
2½% Panama Canal loan of 1916-36.....	20.00		250.00	27, 100.00
2½% Panama Canal loan of 1918-38.....	605, 010.26			20.00
All other issues.....				605, 010.26
Total postal savings bonds, etc.....	1, 438, 790.26	1, 000.00	14, 380.00	1, 425, 410.26
Liberty loan bonds:				
First Liberty loan:				
First 3½'s.....	4, 963, 850.00		324, 350.00	4, 639, 500.00
First 4's.....	129, 600.00		6, 300.00	123, 300.00

Footnotes at end of table.

TABLE 27.—Changes in the public debt by issues, fiscal year 1944—Continued

Detail	Matured debt on which interest has ceased—Continued					
	Outstanding July 1, 1943	Issues during year	Transferred from interest-bearing debt	Redemptions dur- ing year	Transferred to matured debt	Outstanding June 30, 1944
Liberty loan bonds—Continued						
First Liberty loan—Continued						
First-second 4½'s	\$1,402,550.00			\$193,800.00		\$1,208,750.00
First-second 4¼'s	4,830.00			350.00		4,500.00
Total	6,500,850.00			524,800.00		5,976,050.00
Second Liberty loan:						
Second 4's	435,150.00			7,950.00		427,200.00
Second 4¼'s	585,000.00			50,150.00		534,850.00
Total	1,020,150.00			58,100.00		962,050.00
Third Liberty loan 4½'s						
Third Liberty loan 4½'s	1,649,900.00			49,200.00		1,600,700.00
Fourth Liberty loan 4¼'s	8,867,700.00			1,368,500.00		7,499,200.00
Total Liberty loan bonds	18,038,600.00			2,000,600.00		16,038,000.00
Victory notes:						
Victory 3¾'s	800.00					800.00
Victory 4¾'s	521,900.00			13,750.00		508,150.00
Total Victory notes	522,700.00			13,750.00		508,950.00
Total Liberty loan bonds and Victory notes (on basis of Public Debt accounts)						
Adjustment to daily Treasury statement						
Total Liberty loan bonds and Victory notes (on basis of daily Treasury statement)						16,546,950.00 +18,400.00
Treasury bonds:						
3½'s of 1940-43	1,592,050.00			463,700.00		1,128,350.00
3½'s of 1941-43	1,588,450.00			694,150.00		894,000.00
3½'s of 1941	1,929,900.00			407,500.00		522,400.00
3½'s of 1943-47	56,760,100.00			50,521,750.00		6,238,350.00
3¾'s of 1943-45			\$24,338,400.00			24,338,400.00
3¾'s of 1944-46			77,656,050.00			77,656,050.00



Total Treasury bonds (on basis of Public Debt accounts)	60,870,500.00	101,994,450.00	52,087,400.00	110,777,550.00 +237,525.00
Adjustment to daily Treasury statement				
Total Treasury bonds (on basis of daily Treasury statement)				111,015,075.00
<b>Treasury notes:</b>				
<b>Regular series:</b>				
53 <sup>00</sup> / <sub>100</sub> A-1924	16,200.00			16,200.00
48 <sup>00</sup> / <sub>100</sub> A-1925	5,000.00			5,000.00
48 <sup>00</sup> / <sub>100</sub> B-1925	27,400.00			27,400.00
43 <sup>00</sup> / <sub>100</sub> C-1925	10,500.00		4,000.00	6,500.00
43 <sup>00</sup> / <sub>100</sub> A-1926	2,800.00			2,800.00
44 <sup>00</sup> / <sub>100</sub> B-1926	7,300.00			7,300.00
42 <sup>00</sup> / <sub>100</sub> A-1927	9,100.00		500.00	8,600.00
44 <sup>00</sup> / <sub>100</sub> B-1927	12,200.00			12,200.00
39 <sup>00</sup> / <sub>100</sub> A-1930-32	102,700.00		10,000.00	92,700.00
39 <sup>00</sup> / <sub>100</sub> B-1930-32	66,250.00		3,000.00	63,250.00
34 <sup>00</sup> / <sub>100</sub> C-1930-32	43,450.00		12,900.00	30,550.00
34 <sup>00</sup> / <sub>100</sub> 1932	53,700.00		29,000.00	24,700.00
36 <sup>00</sup> / <sub>100</sub> A-1934	35,500.00		33,000.00	2,500.00
28 <sup>00</sup> / <sub>100</sub> B-1934	55,000.00			55,000.00
36 <sup>00</sup> / <sub>100</sub> A-1935	80,000.00		73,000.00	7,000.00
18 <sup>00</sup> / <sub>100</sub> B-1935	6,801,900.00		5,500,000.00	1,301,900.00
22 <sup>00</sup> / <sub>100</sub> C-1935	61,000.00		50,000.00	11,000.00
29 <sup>00</sup> / <sub>100</sub> D-1935	158,000.00		75,000.00	83,000.00
31 <sup>00</sup> / <sub>100</sub> A-1936	127,100.00		11,000.00	116,100.00
28 <sup>00</sup> / <sub>100</sub> B-1936	45,400.00		12,900.00	32,500.00
27 <sup>00</sup> / <sub>100</sub> C-1936	106,100.00		4,200.00	101,900.00
14 <sup>00</sup> / <sub>100</sub> D-1936	7,400.00			800.00
14 <sup>00</sup> / <sub>100</sub> E-1936	194,600.00		1,100.00	6,300.00
31 <sup>00</sup> / <sub>100</sub> A-1937	65,400.00		38,500.00	156,100.00
36 <sup>00</sup> / <sub>100</sub> B-1937	43,000.00		3,400.00	42,000.00
28 <sup>00</sup> / <sub>100</sub> A-1938	13,000.00			43,000.00
27 <sup>00</sup> / <sub>100</sub> B-1938	127,900.00		85,100.00	13,000.00
25 <sup>00</sup> / <sub>100</sub> C-1938	255,500.00		500.00	42,800.00
16 <sup>00</sup> / <sub>100</sub> D-1938	167,600.00		106,250.00	255,000.00
1,000.00				61,350.00
215,200.00				1,000.00
66,300.00				140,200.00
290,600.00				55,800.00
863,850.00				252,400.00
559,100.00				8,000.00
179,300.00				553,100.00
771,100.00				189,100.00
4,285,600.00				58,200.00
1,072,300.00				423,100.00
586,200.00				4,135,600.00
				1,007,700.00
				425,700.00

TABLE 27.—Changes in the public debt by issues, fiscal year 1944—Continued

Detail	Outstanding July 1, 1943	Issues during year	Transferred from interest-bearing debt	Redemptions dur- ing year	Transferred to matured debt	Outstanding June 30, 1944
	Matured debt on which interest has ceased—Continued					
Treasury notes—Continued. Regular series—Continued.						
2% B-1942	\$890,700.00			\$706,000.00		\$184,700.00
13 7/8% C-1942	1,017,800.00			600,100.00		417,700.00
1 7/8% A-1943	9,546,000.00			8,819,300.00		726,700.00
1 7/8% B-1943						620,000.00
1% C-1943			\$820,000.00			955,000.00
3 7/8% D-1943	160,400.00		955,000.00			12,300.00
3 7/8% A-1944			2,427,100.00			2,427,100.00
1% B-1944			1,928,900.00			1,928,900.00
Tax series:						
A-1943			801,525.00			801,525.00
B-1943			2,765,100.00			2,765,100.00
A-1944			2,267,925.00			2,267,925.00
B-1944			19,276,300.00			19,276,300.00
Total Treasury notes (on basis of Public Debt accounts)	29,186,250.00		31,041,850.00			42,421,000.00
Adjustment to daily Treasury statement				17,807,100.00		+136,325.00
Total Treasury notes (on basis of daily Treas- ury statement)						42,557,325.00
Certificates of indebtedness:						
Tax issues:						
4 3/8% T-10	1,000.00					1,000.00
4 3/8% TM-1921	500.00					500.00
6% T-1921	1,500.00					1,500.00
6% TS-1921	1,500.00					1,500.00
6% TD-1921	2,000.00					2,000.00
5 1/2% TS-2-1921	1,000.00					1,000.00
5 3/4% TM-1922	1,000.00					1,000.00
4 3/8% TS-2-1922	500.00					500.00
4 3/8% TD-1922	1,000.00					1,000.00
4 3/8% TM-1923	1,000.00					1,000.00
3 3/4% TS-1923	500.00					500.00
4 1/2% TM-1924	1,000.00					1,000.00
4% TM-1925	1,000.00					1,000.00
3 3/8% TM-1929	3,500.00					3,500.00

41.5% TJ-1929	1,700.00						1,700.00
43.4% TS-1929	11,500.00						11,500.00
43.4% TD-1929	53,000.00						53,000.00
43.4% TD-2-1929	2,500.00						2,500.00
51.6% TM-1930	68,500.00						68,500.00
47.6% TJ-1930	11,500.00						11,500.00
31.8% TS-1930	2,000.00						2,000.00
31.5% TD-1930	4,000.00						4,000.00
9.2% TM-1932	1,000.00						1,000.00
28.6% TJ-1932	406,000.00						406,000.00
11.4% TS-1932	3,300.00						3,300.00
3.8% TS-2-1932	135,000.00						135,000.00
33.8% TO-1932	22,000.00						22,000.00
33.4% TN-1933	99,000.00						99,000.00
2.6% First-maturing Mar. 15, 1933	37,150.00						37,150.00
11.2% TJ-1933	150,000.00						150,000.00
4.6% TAG-1933	17,500.00						17,500.00
11.4% TS-1933	31,000.00						31,000.00
3.6% TD-1933	481,000.00						481,000.00
41.4% TD-2-1933	100,000.00						100,000.00
3.6% TM-1934	21,000.00						21,000.00
1.6% TJ-1934	9,000.00						9,000.00
21.4% TD-1934	10,000.00						10,000.00
Loan issues:							
41.6% IV A-1918	500.00						500.00
51.6% G-1920	1,000.00						1,000.00
51.6% H-1921	500.00						500.00
51.6% A-1922	1,000.00						1,000.00
31.8% A-1932	20,000.00						20,000.00
33.4% A-1933	3,500.00						3,500.00
2.6% A-1942	797,000.00						797,000.00
38.6% A-1943	1,259,000.00						1,259,000.00
7.8% B-1943	6,410,000.00						6,410,000.00
0.65% C-1943							
7.8% D-1943							
7.8% E-1943							
7.8% A-1944							
7.8% B-1944							
7.8% C-1914							
Total certificates of indebtedness (on basis of Public Debt accounts)	10,187,350.00		15,573,000.00		9,129,000.00		16,631,350.00
Adjustment to daily Treasury statement							+527,050.00
Total certificates of indebtedness (on basis of daily Treasury statement)							17,158,400.00

TABLE 27.—Changes in the public debt by issues, fiscal year 1944—Continued

Detail	Outstanding July 1, 1943	Issues during year	Transferred from interest-bearing debt	Redemptions dur- ing year	Transferred to matured debt	Outstanding June 30, 1944
	Matured debt on which interest has ceased—Continued					
Treasury bills, series matured:						
May 18, 1932	\$21,000.00					\$21,000.00
May 17, 1933	16,000.00					16,000.00
June 5, 1935	10,000.00			\$10,000.00		
Sept. 18, 1935	25,000.00			25,000.00		
Dec. 31, 1935	10,000.00					10,000.00
June 3, 1936	19,000.00					19,000.00
May 12, 1937	15,000.00					15,000.00
June 9, 1937	2,000.00					2,000.00
Sept. 15, 1937	22,000.00			21,000.00		1,000.00
Nov. 24, 1937	10,000.00					10,000.00
Mar. 9, 1938	10,000.00					10,000.00
Mar. 19, 1938	10,000.00					10,000.00
Apr. 27, 1938	222,000.00					222,000.00
June 8, 1938	40,000.00					40,000.00
June 16, 1938	11,000.00					11,000.00
June 29, 1938	50,000.00					50,000.00
Dec. 7, 1938	1,000.00					1,000.00
May 31, 1939	300,000.00					300,000.00
July 12, 1939	1,000.00					1,000.00
Sept. 20, 1939	30,000.00					30,000.00
Dec. 20, 1939	10,000.00					10,000.00
Jan. 24, 1940	1,000.00					1,000.00
Mar. 20, 1940	50,000.00					50,000.00
Mar. 27, 1940	10,000.00					10,000.00
Apr. 17, 1940	119,000.00					119,000.00
Apr. 24, 1940	3,000.00					3,000.00
May 8, 1940	51,000.00					51,000.00
May 15, 1940	20,000.00					20,000.00
May 22, 1940	3,000.00					3,000.00
June 5, 1940	165,000.00					165,000.00
July 3, 1940	1,000.00					1,000.00
Sept. 11, 1940	20,000.00					20,000.00
Nov. 13, 1940	25,000.00					25,000.00
Nov. 20, 1940	20,000.00					20,000.00
Jan. 8, 1941	20,000.00					20,000.00
Jan. 15, 1941	25,000.00					25,000.00
Jan. 29, 1941	10,000.00					10,000.00
Feb. 19, 1941 (National defense series)	10,000.00					10,000.00
Mar. 26, 1941 (National defense series)	12,000.00			10,000.00		12,000.00

[illegible]

TABLE 27.—Changes in the public debt by issues, fiscal year 1944—Continued

Detail	Matured debt on which interest has ceased—Continued					
	Outstanding July 1, 1943	Issues during year	Transferred from interest-bearing debt	Redemptions dur- ing year	Transferred to matured debt	Outstanding June 30, 1944
Treasury bills, series matured—Continued.						
May 26, 1943.....	\$11,000.00			\$11,000.00		\$57,000.00
June 2, 1943.....	938,000.00			881,000.00		57,000.00
June 9, 1943.....	7,495,000.00			7,438,000.00		
June 16, 1943.....	541,000.00			541,000.00		
June 23, 1943.....	631,000.00			631,000.00		
June 30, 1943.....	3,171,000.00			3,146,000.00		25,000.00
July 14, 1943.....			\$1,000.00			1,000.00
July 21, 1943.....			5,000.00			5,000.00
Aug. 12, 1943.....			70,000.00			70,000.00
Aug. 19, 1943.....			1,000.00			1,000.00
Sept. 9, 1943.....			20,000.00			20,000.00
Sept. 23, 1943.....			50,000.00			50,000.00
Sept. 30, 1943.....			3,000.00			6,000.00
Oct. 21, 1943.....			3,000.00			3,000.00
Oct. 28, 1943.....			15,000.00			15,000.00
Nov. 18, 1943.....			5,000.00			5,000.00
Nov. 26, 1943.....			100,000.00			100,000.00
Dec. 9, 1943.....			250,000.00			250,000.00
Dec. 16, 1943.....			200,000.00			200,000.00
Dec. 30, 1943.....			1,000.00			1,000.00
Jan. 6, 1944.....			458,000.00			458,000.00
Jan. 13, 1944.....			39,000.00			39,000.00
Jan. 27, 1944.....			6,000.00			6,000.00
Feb. 3, 1944.....			40,000.00			40,000.00
Feb. 10, 1944.....			50,000.00			50,000.00
Feb. 17, 1944.....			672,000.00			672,000.00
Mar. 3, 1944.....			100,000.00			100,000.00
Mar. 16, 1944.....			500,000.00			500,000.00
Mar. 23, 1944.....			190,000.00			190,000.00
Mar. 30, 1944.....			5,000.00			5,000.00
Apr. 27, 1944.....			58,000.00			58,000.00
May 4, 1944.....			101,000.00			101,000.00
May 11, 1944.....			53,000.00			53,000.00
May 18, 1944.....			55,000.00			55,000.00
May 25, 1944.....			242,000.00			242,000.00
June 1, 1944.....			593,000.00			593,000.00
June 8, 1944.....			584,000.00			584,000.00
June 15, 1944.....			105,000.00			105,000.00
June 22, 1944.....			450,000.00			450,000.00
June 29, 1944.....			3,814,000.00			3,814,000.00

Total Treasury bills (on basis of Public Debt accounts).....	14,912,000.00	8,842,000.00	17,163,000.00	11,591,000.00 +395,000.00
Adjustment to daily Treasury statement.....				
Total Treasury bills (on basis of daily Treasury statement).....				11,986,000.00
Treasury (war) savings securities: Treasury savings certificates: Issued Dec. 15, 1921.....	24,625.00		75.00	24,550.00
Issued Sept. 30, 1922.....	85,300.00		1,125.00	84,175.00
Issued Dec. 1, 1923.....	37,150.00		2,275.00	34,875.00
Total Treasury savings certificates.....	147,075.00		3,475.00	143,600.00
Total matured debt on which interest has ceased (on basis of Public Debt accounts).....	140,303,265.26	157,452,300.00	98,218,705.00	199,536,800.26 +1,314,300.00
Adjustment to daily Treasury statement.....				
Total matured debt on which interest has ceased (on basis of daily Treasury state- ment).....				200,851,160.26
Debt bearing no interest				
United States savings stamps (including unclassified sales).....	\$212,460,126.31	\$406,344,384.37	\$423,234,827.80	\$195,518,682.88 +999,686.65
Adjustment to daily Treasury statement.....				196,518,369.53
Excess profits tax refund bonds.....				134,032,175.28
United States notes (less gold reserve).....	190,611,585.07	134,032,175.28		190,611,585.07
Old demand notes.....	52,917.50			52,917.50
National and Federal Reserve bank notes.....	766,328,884.50	35,320,000.00	70,019,841.00	732,229,043.50
Fractional currency.....	1,969,523.77		290.77	1,969,233.00
Thrift and Treasury savings stamps (unclassified sales, etc.).....	3,741,572.50		4,154.00	3,737,418.50 +17.50
Adjustment to daily Treasury statement.....				3,737,436.00
Total debt bearing no interest (on basis of Public Debt accounts).....	1,175,143,609.65	576,296,559.65	493,259,113.57	1,258,181,055.73 +999,704.15
Adjustment to daily Treasury statement.....				
Total debt bearing no interest (on basis of daily Treasury statement).....				1,259,180,750.88

TABLE 27.—*Changes in the public debt by issues, fiscal year 1944—Continued*

Detail	Outstanding July 1, 1943	Issues during year	Transferred from interest-bearing debt	Redemptions dur- ing year	Transferred to matured debt	Outstanding June 30, 1944
Debt bearing no interest—Continued						
Total gross debt outstanding (on basis of Public Debt accounts) .....	\$136, 698, 111, 632.90	\$153, 829, 512, 756.08	\$157, 452, 300.00	\$89, 496, 085, 801.66	\$157, 452, 300.00	\$201, 030, 038, 587.32
Adjustment to daily Treasury statement .....						-27, 551, 366.19
Total gross debt outstanding (on basis of daily Treasury statement) .....						\$ 201, 003, 387, 221.13

<sup>1</sup> Amounts issued and redeemed for Series A to F bonds include issue price plus accrued discount; amounts outstanding are stated at current redemption value. Amounts issued, retired, and outstanding for Series G bonds are stated at par value.

<sup>2</sup> Interest compounded.

<sup>3</sup> Represents issues in which there were no transactions during the fiscal years 1930 to 1944; for amount of each issue outstanding (unchanged since June 30, 1929), see annual report for 1929, p. 478.

<sup>4</sup> Adjustment is occasioned by items in transit on June 30, 1944, not reflected in the daily Treasury statement. For adjustment by classes of securities see reconciliation on p. 625.



TABLE 28.—*Issues, maturities, and redemptions of interest-bearing securities, exclusive of trust account and other special issues, July 1943 through June 1944*<sup>1</sup>

Date	Issue	Rate of interest <sup>2</sup>	Amount issued <sup>3</sup>	Amount matured, or called or redeemed prior to maturity <sup>4</sup>
1943		<i>Percent</i>		
July 1	Postal savings bonds, series 25	2½		\$17,700.00
7	Treasury bills, issued Apr. 7, 1943	.374		804,718,000.00
7	Treasury bills, maturing Oct. 7, 1943	.375	\$1,003,063,000.00	
12	Treasury notes, Series A-1947	1½	2,707,289,000.00	
14	Treasury bills, issued Apr. 14, 1943	.373		803,964,000.00
14	Treasury bills, maturing Oct. 14, 1943	.374	1,001,159,000.00	
21	Treasury bills, issued Apr. 21, 1943	.371		904,650,000.00
21	Treasury bills, maturing Oct. 21, 1943	.374	1,003,709,000.00	
28	Treasury bills, issued Apr. 28, 1943	.372		901,758,000.00
28	Treasury bills, maturing Oct. 28, 1943	.374	1,002,817,000.00	
31	United States savings bonds, Series A-1935	2.90	401,081.50	223,254.00
31	United States savings bonds, Series B-1936	2.90	1,246,697.50	433,202.00
31	United States savings bonds, Series C-1937	2.90	1,418,087.00	606,641.00
31	United States savings bonds, Series C-1938	2.90	1,539,985.25	783,815.50
31	United States savings bonds, Series D-1939	2.90	2,618,027.25	1,516,239.50
31	United States savings bonds, Series D-1940	2.90	4,149,580.75	2,220,663.25
31	United States savings bonds, Series D-1941	2.90	2,195,476.25	1,034,748.75
31	United States savings bonds, Series E-1941	2.90	951,773.04	3,712,097.34
31	United States savings bonds, Series F-1941	2.53	189,836.49	589,026.10
31	United States savings bonds, Series G-1941	2.50	21,100.00	1,962,700.00
31	United States savings bonds, Series E-1942	2.90	8,152,527.36	44,771,878.62
31	United States savings bonds, Series F-1942	2.53	599,058.27	1,993,523.06
31	United States savings bonds, Series G-1942	2.50	20,300.00	5,482,500.00
31	United States savings bonds, Series E-1943	2.90	684,473,522.25	71,651,756.13
31	United States savings bonds, Series F-1943	2.53	37,480,622.50	253,875.50
31	United States savings bonds, Series G-1943	2.50	169,199,600.00	1,007,000.00
31	United States savings bonds, unclassified sales	2.90	<sup>a</sup> 2,333,002.03	
31	Depository bonds, First Series	2	13,585,000.00	5,000.00
31	Adjusted service bonds	3	57,200.00	694,400.00
31	Treasury notes, Tax Series A-1943	1.92		1,367,125.00
31	Treasury notes, Tax Series B-1943	.48		9,252,700.00
31	Treasury notes, Tax Series A-1944	1.92		2,006,925.00
31	Treasury notes, Tax Series B-1944	.48		44,455,800.00
31	Treasury notes, Tax Series A-1945	1.92	12,950.00	12,141,475.00
31	Treasury savings notes, Series C-1945	1.07		86,063,000.00
31	Treasury savings notes, Series C-1946	1.07	414,019,600.00	76,250,000.00
	Total, July		8,058,036,023.38	3,785,587,045.75
Aug. 1	Treasury notes, Tax Series A-1943	1.92		6,414,575.00
1	Treasury notes, Tax Series B-1943	.48		64,688,850.00
1	Certificates of indebtedness, Series B-1943, redeemed in exchange for certificates of indebtedness, Series D-1944	<sup>b</sup> 7½		1,556,293,000.00
1	Certificates of indebtedness, Series B-1943	<sup>c</sup> 7½		53,039,000.00
2	Certificates of indebtedness, Series D-1944	<sup>d</sup> 7½	2,545,392,000.00	
4	Treasury bills, issued May 5, 1943	.373		901,820,000.00
4	Treasury bills, maturing Nov. 4, 1943	.374	1,005,832,000.00	
12	Treasury bills, issued May 12, 1943	.372		906,997,000.00
12	Treasury bills, maturing Nov. 12, 1943	.374	994,658,000.00	
19	Treasury bills, issued May 19, 1943	.373		907,785,000.00
19	Treasury bills, maturing Nov. 8, 1943	.375	1,005,344,000.00	
26	Treasury bills, issued May 26, 1943	.373		905,415,000.00
26	Treasury bills, maturing Nov. 26, 1943	.374	1,002,335,000.00	
31	United States savings bonds, Series A-1935	2.90	221,630.00	267,193.50
31	United States savings bonds, Series B-1936	2.90	675,279.25	501,174.25
31	United States savings bonds, Series C-1937	2.90	753,868.25	634,509.25
31	United States savings bonds, Series C-1938	2.90	845,393.50	837,947.00
31	United States savings bonds, Series D-1939	2.90	1,375,733.50	1,564,668.25
31	United States savings bonds, Series D-1940	2.90	1,700,504.25	2,168,605.25
31	United States savings bonds, Series D-1941	2.90	2,046,125.50	1,104,339.75
31	United States savings bonds, Series E-1941	2.90	693,969.22	3,920,920.80
31	United States savings bonds, Series F-1941	2.53	128,896.30	708,716.24
31	United States savings bonds, Series G-1941	2.50	8,300.00	2,105,200.00
31	United States savings bonds, Series E-1942	2.90	17,770,249.69	43,610,590.28
31	United States savings bonds, Series F-1942	2.53	326,297.00	2,560,413.82
31	United States savings bonds, Series G-1942	2.50	24,200.00	4,567,300.00
31	United States savings bonds, Series E-1943	2.90	646,067,464.50	86,487,110.01
31	United States savings bonds, Series F-1943	2.53	28,013,142.00	257,700.00
31	United States savings bonds, Series G-1943	2.50	112,401,200.00	747,900.00
31	United States savings bonds, unclassified sales	2.90	2,293,885.54	
31	Depository bonds, First Series	2	22,235,000.00	
31	Adjusted service bonds	3	53,700.00	581,000.00
31	Treasury notes, Tax Series A-1944	1.92		234,525.00
31	Treasury notes, Tax Series B-1944	.48		14,554,000.00
31	Treasury notes, Tax Series A-1945	1.92		2,610,550.00

Footnotes at end of table.

TABLE 28.—*Issues, maturities, and redemptions of interest-bearing securities, exclusive of trust account and other special issues, July 1943 through June 1944*<sup>1</sup>—  
Continued

Date	Issue	Rate of interest <sup>2</sup>	Amount issued <sup>3</sup>	Amount matured, or called or redeemed prior to maturity <sup>4</sup>
1943		<i>Percent</i>		
Aug. 31	Treasury savings notes, Series C-1945.....	1.07		\$44,463,000.00
31	Treasury savings notes, Series C-1946.....	1.07	\$213,470,400.00	55,786,000.00
	Total, August.....		7,604,666,238.50	5,572,725,793.40
Sept. 2	Treasury bills, issued June 2, 1943.....	.374		906,009,000.00
2	Treasury bills, maturing Dec. 2, 1943.....	.375	1,001,840,000.00	
8	Certificates of indebtedness, special series.....	$\frac{1}{4}$	11,000,000.00	
9	Certificates of indebtedness, special series.....	$\frac{1}{4}$	115,000,000.00	
9	Treasury bills, issued June 9, 1943.....	.374		908,689,000.00
9	Treasury bills, maturing Dec. 9, 1943.....	.375	1,004,917,000.00	
10	Certificates of indebtedness, special series.....	$\frac{1}{4}$	117,000,000.00	
11	Certificates of indebtedness, special series.....	$\frac{1}{4}$	3,000,000.00	
13	Certificates of indebtedness, special series.....	$\frac{1}{4}$		11,000,000.00
13	Certificates of indebtedness, special series.....	$\frac{1}{4}$		21,000,000.00
14	Certificates of indebtedness, special series.....	$\frac{1}{4}$		35,000,000.00
15	Certificates of indebtedness, special series.....	$\frac{1}{4}$	245,000,000.00	
15	Treasury bonds of 1951-53.....	2	5,257,252,500.00	
15	Treasury bonds of 1964-69 (dated Sept. 15, 1943).....	$2\frac{1}{2}$	3,778,754,000.00	
15	Certificates of indebtedness, Series E-1944.....	$\frac{7}{8}$	4,121,783,000.00	
15	Treasury notes, Series C-1943.....	1		279,473,800.00
16	Certificates of indebtedness, special series.....	$\frac{1}{4}$		59,000,000.00
16	Certificates of indebtedness, special series.....	$\frac{1}{4}$		107,000,000.00
16	Treasury bills, issued June 16, 1943.....	.374		1,000,489,000.00
16	Treasury bills, maturing Dec. 16, 1943.....	.374	1,008,639,000.00	
17	Certificates of indebtedness, special series.....	$\frac{1}{4}$		10,000,000.00
17	Certificates of indebtedness, special series.....	$\frac{1}{4}$		3,000,000.00
17	Certificates of indebtedness, special series.....	$\frac{1}{4}$		245,000,000.00
23	Treasury bills, issued June 23, 1943.....	.374		1,006,051,000.00
23	Treasury bills, maturing Dec. 23, 1943.....	.374	1,017,717,000.00	
30	Treasury bills, issued June 30, 1943.....	.374		1,005,820,000.00
30	Treasury bills, maturing Dec. 30, 1943.....	.375	1,002,978,000.00	
30	United States savings bonds, Series A-1935.....	2.90	911,817.25	232,938.00
30	United States savings bonds, Series B-1936.....	2.90	745,168.50	376,754.50
30	United States savings bonds, Series C-1937.....	2.90	666,149.00	652,746.00
30	United States savings bonds, Series C-1938.....	2.90	803,538.00	785,933.75
30	United States savings bonds, Series D-1939.....	2.90	1,163,907.50	1,387,353.75
30	United States savings bonds, Series D-1940.....	2.90	2,096,791.75	2,247,591.00
30	United States savings bonds, Series D-1941.....	2.90	661,441.50	1,097,520.75
30	United States savings bonds, Series E-1941.....	2.90	675,370.01	3,996,305.39
30	United States savings bonds, Series F-1941.....	2.53	110,981.50	608,863.66
30	United States savings bonds, Series G-1941.....	2.50	11,400.00	1,925,400.00
30	United States savings bonds, Series E-1942.....	2.90	11,311,357.06	39,668,629.85
30	United States savings bonds, Series F-1942.....	2.53	397,751.75	1,734,383.26
30	United States savings bonds, Series G-1942.....	2.50	28,300.00	5,509,300.00
30	United States savings bonds, Series E-1943.....	2.90	1,352,465,395.75	93,103,613.00
30	United States savings bonds, Series F-1943.....	2.53	138,907,217.00	358,843.50
30	United States savings bonds, Series G-1943.....	2.50	387,372,200.00	1,592,300.00
30	United States savings bonds, unclassified sales.....	2.90	41,806,628.90	
30	Depository bonds, First Series.....	2	23,765,000.00	
30	Depository bonds, Second Series.....	2	75,600,500.00	
30	Adjusted service bonds.....	3	42,350.00	586,400.00
30	Treasury notes, Tax Series A-1944.....	1.92		3,713,075.00
30	Treasury notes, Tax Series B-1944.....	.48		305,882,900.00
30	Treasury notes, Tax Series A-1945.....	1.92		34,078,925.00
30	Treasury savings notes, Series C-1945.....	1.07		348,127,475.00
30	Treasury savings notes, Series C-1946.....	1.07	2,259,996,000.00	420,317,000.00
	Total, September.....		22,984,419,765.47	6,865,516,051.41
Oct. 7	Treasury bills, issued July 7, 1943.....	.375		1,003,063,000.00
7	Treasury bills, maturing Jan. 6, 1944.....	.375	1,006,933,000.00	
14	Treasury bills, issued July 14, 1943.....	.374		1,001,159,000.00
14	Treasury bills, maturing Jan. 13, 1944.....	.375	1,004,706,000.00	
15	Certificates of indebtedness, Series D-1943, redeemed in exchange for certificates of indebtedness, Series F-1944.....	$\frac{7}{8}$		1,938,980,000.00
15	Certificates of indebtedness, Series F-1944.....	$\frac{7}{8}$	3,519,047,000.00	
15	Treasury bonds of 1943-45, redeemed in exchange for Treasury bonds of 1951-53 (additional issue).....	$3\frac{1}{4}$		1,101,903,500.00
15	Treasury bonds of 1943-45, redeemed in exchange for Treasury bonds of 1964-69 (additional issue).....	$3\frac{1}{4}$		59,444,000.00

Footnotes at end of table.

TABLE 28.—*Issues, maturities, and redemptions of interest-bearing securities, exclusive of trust account and other special issues, July 1943 through June 1944*—Continued

Date	Issue	Rate of interest <sup>2</sup>	Amount issued <sup>3</sup>	Amount matured or called or redeemed prior to maturity <sup>4</sup>
1943		Percent		
Oct. 15	Treasury bonds of 1943-45 (called for redemption)	3 1/4		\$239, 180, 750.00
15	Treasury bonds of 1951-53 (additional issue)	2	\$2, 729, 010, 000.00	
15	Treasury bonds of 1964-69 (additional issue)	2 1/2	59, 444, 000.00	
21	Treasury bills, issued July 21, 1943	.374		1, 003, 709, 000.00
21	Treasury bills, maturing Jan. 20, 1944	.375	1, 000, 766, 000.00	
28	Treasury bills, issued July 28, 1943	.374		1, 002, 817, 000.00
28	Treasury bills, maturing Jan. 27, 1944	.375	1, 008, 065, 000.00	
31	United States savings bonds, Series A-1935	2.90	813, 669.00	231, 458.50
31	United States savings bonds, Series B-1936	2.90	744, 611.00	415, 873.25
31	United States savings bonds, Series C-1937	2.90	581, 700.00	584, 977.25
31	United States savings bonds, Series C-1938	2.90	819, 770.75	704, 293.00
31	United States savings bonds, Series D-1939	2.90	1, 133, 294.25	1, 427, 812.75
31	United States savings bonds, Series D-1940	2.90	1, 406, 759.50	1, 890, 608.50
31	United States savings bonds, Series D-1941	2.90	787, 192.75	960, 727.25
31	United States savings bonds, Series E-1941	2.90	756, 643.65	3, 371, 623.04
31	United States savings bonds, Series F-1941	2.53	123, 775.60	475, 652.30
31	United States savings bonds, Series G-1941	2.50	4, 000.00	1, 567, 200.00
31	United States savings bonds, Series E-1942	2.90	14, 992, 674.27	31, 900, 565.15
31	United States savings bonds, Series F-1942	2.53	409, 243.47	2, 060, 119.15
31	United States savings bonds, Series G-1942	2.50	43, 300.00	4, 983, 000.00
31	United States savings bonds, Series E-1943	2.90	1, 356, 146, 026.25	89, 803, 167.80
31	United States savings bonds, Series F-1943	2.53	92, 985, 336.00	770, 486.00
31	United States savings bonds, Series G-1943	2.50	274, 830, 000.00	2, 564, 600.00
31	United States savings bonds, unclassified sales	2.90	<sup>5</sup> 25, 303, 135.45	
31	Depository bonds, First Series	2	22, 385, 000.00	
31	Depository bonds, Second Series	2	7, 823, 500.00	
31	Adjusted service bonds	3	67, 800.00	467, 800.00
31	Treasury notes, Tax Series A-1944	1.92		639, 300.00
31	Treasury notes, Tax Series B-1944	.48		25, 656, 400.00
31	Treasury notes, Tax Series A-1945	1.92		6, 101, 500.00
31	Treasury savings notes, Series C-1945	1.07		61, 241, 525.00
31	Treasury savings notes, Series C-1946	1.07	460, 690, 000.00	108, 644, 000.00
	Total, October		12, 540, 212, 161.04	7, 696, 718, 938.94
Nov. 1	Certificates of indebtedness, Series D-1943	7/8		96, 274, 000.00
4	Treasury bills, issued Aug. 4, 1943	.374		1, 005, 832, 000.00
4	Treasury bills, maturing Feb. 3, 1944	.375	1, 002, 630, 000.00	
12	Treasury bills, issued Aug. 12, 1943	.374		994, 658, 000.00
12	Treasury bills, maturing Feb. 10, 1944	.376	1, 004, 665, 000.00	
18	Treasury bills, issued Aug. 19, 1943	.375		1, 005, 344, 000.00
18	Treasury bills, maturing Feb. 17, 1944	.375	1, 001, 299, 000.00	
26	Treasury bills, issued Aug. 26, 1943	.374		1, 002, 335, 000.00
26	Treasury bills, maturing Feb. 24, 1944	.376	1, 008, 667, 000.00	
31	United States savings bonds, Series A-1935	2.90	676, 510.75	276, 003.50
31	United States savings bonds, Series B-1936	2.90	661, 529.00	415, 406.00
31	United States savings bonds, Series C-1937	2.90	522, 332.00	541, 521.50
31	United States savings bonds, Series C-1938	2.90	724, 799.50	707, 761.75
31	United States savings bonds, Series D-1939	2.90	1, 341, 882.75	1, 425, 102.50
31	United States savings bonds, Series D-1940	2.90	1, 218, 145.25	1, 900, 864.00
31	United States savings bonds, Series D-1941	2.90	1, 875.00	802, 335.25
31	United States savings bonds, Series E-1941	2.90	1, 474, 767.61	3, 350, 790.85
31	United States savings bonds, Series F-1941	2.53	456, 836.84	908, 344.49
31	United States savings bonds, Series G-1941	2.50	2, 800.00	2, 106, 100.00
31	United States savings bonds, Series E-1942	2.90	7, 497, 856.82	33, 615, 175.17
31	United States savings bonds, Series F-1942	2.53	391, 260.05	2, 515, 701.43
31	United States savings bonds, Series G-1942	2.50	51, 200.00	4, 804, 200.00
31	United States savings bonds, Series E-1943	2.90	660, 751, 288.50	112, 724, 580.92
31	United States savings bonds, Series F-1943	2.53	23, 328, 738.50	1, 635, 994.00
31	United States savings bonds, Series G-1943	2.50	109, 350, 100.00	2, 750, 700.00
31	United States savings bonds, unclassified sales	2.90	3, 072, 600.72	
31	Depository bonds, First Series	2	6, 435, 000.00	5, 000.00
31	Depository bonds, Second Series	2	1, 854, 500.00	14, 500.00
31	Adjusted service bonds	3	56, 300.00	335, 000.00
31	Treasury notes, Tax Series A-1944	1.92		139, 775.00
31	Treasury notes, Tax Series B-1944	.48		14, 598, 100.00
31	Treasury notes, Tax Series A-1945	1.92		1, 682, 775.00
31	Treasury savings notes, Series C-1945	1.07		37, 243, 000.00
31	Treasury savings notes, Series C-1946	1.07	330, 199, 000.00	107, 200, 000.00
31	Miscellaneous			1, 150.00
	Total, November		5, 167, 330, 323.29	4, 436, 142, 881.36

Footnotes at end of table.

TABLE 28.—*Issues, maturities, and redemptions of interest-bearing securities, exclusive of trust account and other special issues, July 1943 through June 1944*<sup>1</sup>—  
Continued

Date	Issue	Rate of interest <sup>2</sup>	Amount issued <sup>3</sup>	Amount matured, or called or redeemed prior to maturity <sup>4</sup>
		Percent		
1943 Dec. 1	Certificates of indebtedness, Series E-1943, redeemed in exchange for certificates of indebtedness, Series G-1944.....	$\frac{7}{8}$		\$3, 539, 755, 000.00
1	Certificates of indebtedness, Series E-1943.....	$\frac{7}{8}$		259, 981, 000.00
1	Certificates of indebtedness, Series G-1944.....	$\frac{7}{8}$	\$3, 539, 755, 000.00	
2	Treasury bills, issued Sept. 2, 1943.....	.375		1, 001, 840, 000.00
2	Treasury bills, maturing Jan. 6, 1944.....	.375	1, 006, 365, 000.00	
9	Treasury bills, issued Sept. 9, 1943.....	.375		1, 004, 917, 000.00
9	Treasury bills, maturing Mar. 9, 1944.....	.375	1, 011, 374, 000.00	
15	Treasury notes, Series B-1943.....	$1\frac{1}{8}$		420, 971, 000.00
16	Treasury bills, issued Sept. 16, 1943.....	.374		1, 008, 639, 000.00
16	Treasury bills, maturing Mar. 16, 1944.....	.375	1, 000, 180, 000.00	
23	Treasury bills, issued Sept. 23, 1943.....	.375		1, 017, 717, 000.00
23	Treasury bills, maturing Mar. 23, 1944.....	.375	1, 005, 549, 000.00	
30	Treasury bills, issued Sept. 30, 1943.....	.375		1, 002, 978, 000.00
30	Treasury bills, maturing Mar. 30, 1944.....	.375	1, 010, 983, 000.00	
31	United States savings bonds, Series A-1935.....	2.90	794, 409.00	230, 640.50
31	United States savings bonds, Series B-1936.....	2.90	1, 106, 140.75	411, 120.25
31	United States savings bonds, Series C-1937.....	2.90	760, 921.75	602, 996.25
31	United States savings bonds, Series C-1938.....	2.90	1, 063, 404.00	752, 417.25
31	United States savings bonds, Series D-1939.....	2.90	2, 126, 057.00	1, 497, 666.00
31	United States savings bonds, Series D-1940.....	2.90	1, 799, 981.50	1, 771, 248.50
31	United States savings bonds, Series D-1941.....	2.90	4, 893.75	765, 970.75
31	United States savings bonds, Series E-1941.....	2.90	3, 704, 840.87	3, 675, 734.60
31	United States savings bonds, Series F-1941.....	2.53	421, 072.67	738, 031.74
31	United States savings bonds, Series G-1941.....	2.50		1, 818, 700.00
31	United States savings bonds, Series E-1942.....	2.90	10, 903, 518.44	36, 072, 307.66
31	United States savings bonds, Series F-1942.....	2.53	445, 199.65	2, 392, 619.72
31	United States savings bonds, Series G-1942.....	2.50	29, 700.00	4, 283, 500.00
31	United States savings bonds, Series E-1943.....	2.90	724, 209, 195.00	146, 490, 308.89
31	United States savings bonds, Series F-1943.....	2.53	23, 976, 002.00	1, 680, 956.50
31	United States savings bonds, Series G-1943.....	2.50	101, 347, 900.00	3, 687, 700.00
31	United States savings bonds, unclassified sales.....	2.90	\$ 53, 613.21	
31	Depository bonds, First Series.....	2	6, 537, 500.00	700, 000.00
31	Depository bonds, Second Series.....	2	631, 500.00	136, 000.00
31	Adjusted service bonds.....	3	56, 050.00	423, 850.00
31	Treasury notes, Tax Series A-1944.....	1.92		3, 219, 600.00
31	Treasury notes, Tax Series B-1944.....	.48		168, 328, 675.00
31	Treasury notes, Tax Series A-1945.....	1.92		25, 666, 500.00
31	Treasury savings notes, Series C-1945.....	1.07		266, 092, 700.00
31	Treasury savings notes, Series C-1946.....	1.07	436, 812, 300.00	665, 747, 000.00
Total, December.....			9, 890, 882, 973.17	10, 593, 984, 243.61
1944 Jan. 1	Postal savings bonds, Series 26.....	$2\frac{1}{2}$		15, 860.00
1	Treasury notes, Tax Series A-1944.....	1.92		8, 795, 100.00
1	Treasury notes, Tax Series B-1944.....	.48		117, 340, 625.00
6	Treasury bills, issued Oct. 7, 1943.....	.375		1, 006, 933, 000.00
6	Treasury bills, maturing Apr. 6, 1944.....	.373	1, 014, 806, 000.00	
13	Treasury bills, issued Oct. 14, 1943.....	.375		1, 004, 706, 000.00
13	Treasury bills, maturing April 13, 1944.....	.374	1, 000, 234, 000.00	
20	Treasury bills, issued Oct. 21, 1943.....	.375		1, 000, 766, 000.00
20	Treasury bills, maturing April 20, 1944.....	.374	1, 017, 182, 000.00	
27	Treasury bills, issued Oct. 28, 1943.....	.375		1, 008, 065, 000.00
27	Treasury bills, maturing April 27, 1944.....	.374	1, 016, 925, 000.00	
31	United States savings bonds, Series A-1935.....	2.90	397, 032.00	212, 656.00
31	United States savings bonds, Series B-1936.....	2.90	1, 574, 741.00	483, 526.00
31	United States savings bonds, Series C-1937.....	2.90	1, 406, 161.25	587, 918.25
31	United States savings bonds, Series C-1938.....	2.90	1, 528, 895.50	803, 560.75
31	United States savings bonds, Series D-1939.....	2.90	2, 594, 604.25	1, 517, 593.00
31	United States savings bonds, Series D-1940.....	2.90	4, 109, 503.75	2, 331, 846.00
31	United States savings bonds, Series D-1941.....	2.90	2, 171, 546.25	910, 460.25
31	United States savings bonds, Series E-1941.....	2.90	935, 687.75	3, 972, 802.48
31	United States savings bonds, Series F-1941.....	2.53	181, 934.79	940, 823.16
31	United States savings bonds, Series G-1941.....	2.50	2, 200.00	2, 355, 000.00
31	United States savings bonds, Series E-1942.....	2.90	10, 231, 132.08	31, 394, 259.25
31	United States savings bonds, Series F-1942.....	2.53	785, 748.86	2, 172, 321.64
31	United States savings bonds, Series G-1942.....	2.50	27, 700.00	5, 879, 500.00
31	United States savings bonds, Series E-1943.....	2.90	401, 773, 736.37	128, 227, 700.62
31	United States savings bonds, Series F-1943.....	2.53	6, 032, 012.30	1, 647, 823.55
31	United States savings bonds, Series G-1943.....	2.50	26, 129, 300.00	4, 352, 500.00
31	United States savings bonds, Series E-1944.....	2.90	652, 863, 417.25	20, 100.00
31	United States savings bonds, Series F-1944.....	2.53	120, 951, 649.50	1, 484.00
31	United States savings bonds, Series G-1944.....	2.50	460, 783, 200.00	1, 000.00
31	United States savings bonds, unclassified sales.....	2.90	31, 579, 610.50	

Footnotes at end of table.

TABLE 28.—*Issuances, maturities, and redemptions of interest-bearing securities, exclusive of trust account and other special issues, July 1943 through June 1944*—Continued

Date	Issue	Rate of interest <sup>2</sup>	Amount issued <sup>3</sup>	Amount matured, or called or redeemed prior to maturity <sup>4</sup>
1944		<i>Percent</i>		
Jan. 31	Depository bonds, First Series.....	2	\$8,773,000.00	\$12,790,000.00
31	Depository bonds, Second Series.....	2	5,917,500.00	804,500.00
31	Adjusted service bonds.....	3	103,550.00	456,000.00
31	Treasury notes, Tax Series A-1945.....	1.92		6,652,850.00
31	Treasury savings notes, Series C-1945.....	1.07		68,198,700.00
31	Treasury savings notes, Series C-1946.....	1.07	48,676,000.00	216,892,400.00
31	Treasury savings notes, Series C-1947.....	1.07	1,167,473,300.00	31,900.00
31	Miscellaneous.....			11,000.00
	Total, January.....		7,006,150,163.40	4,640,271,809.95
Feb. 1	Certificates of indebtedness, Series A-1944, redeemed in exchange for Treasury notes, Series D-1945.....	$\frac{3}{8}$		2,126,896,000.00
1	Certificates of indebtedness, Series A-1944.....	$\frac{3}{8}$		84,265,000.00
1	Treasury notes, Series D-1945.....	.90	2,126,896,000.00	
1	Certificates of indebtedness, Series A-1945.....	$\frac{3}{8}$	5,048,179,000.00	
1	Treasury bonds of 1956-59.....	$2\frac{1}{4}$	3,727,687,000.00	
1	Treasury bonds of 1965-70.....	$2\frac{1}{2}$	2,212,173,000.00	
3	Treasury bills, issued Nov. 4, 1943.....	.375		1,002,630,000.00
3	Treasury bills, maturing May 4, 1944.....	.374	1,002,280,000.00	
10	Treasury bills, issued Nov. 12, 1943.....	.376		1,004,665,000.00
10	Treasury bills, maturing May 11, 1944.....	.374	1,005,662,000.00	
17	Treasury bills, issued Nov. 18, 1943.....	.375		1,001,299,000.00
17	Treasury bills, maturing May 18, 1944.....	.375	1,012,743,000.00	
24	Treasury bills, issued Nov. 26, 1943.....	.376		1,008,667,000.00
24	Treasury bills, maturing May 25, 1944.....	.375	1,007,677,000.00	
29	United States savings bonds, Series A-1935.....	2.90	219,738.50	247,438.50
29	United States savings bonds, Series B-1936.....	2.90	965,313.75	435,219.50
29	United States savings bonds, Series C-1937.....	2.90	747,215.50	654,962.75
29	United States savings bonds, Series C-1938.....	2.90	836,530.75	922,987.50
29	United States savings bonds, Series D-1939.....	2.90	1,362,612.50	1,488,876.50
29	United States savings bonds, Series D-1940.....	2.90	1,676,617.75	1,904,543.00
29	United States savings bonds, Series D-1941.....	2.90	2,016,683.75	1,165,269.25
29	United States savings bonds, Series E-1941.....	2.90	681,237.48	3,674,829.37
29	United States savings bonds, Series F-1941.....	2.53	124,198.50	621,839.30
29	United States savings bonds, Series G-1941.....	2.50		1,968,900.00
29	United States savings bonds, Series E-1942.....	2.90	7,743,552.12	29,487,607.65
29	United States savings bonds, Series F-1942.....	2.53	453,292.00	2,578,451.39
29	United States savings bonds, Series G-1942.....	2.50	39,600.00	4,603,100.00
29	United States savings bonds, Series F-1943.....	2.90	163,248,908.62	127,376,304.56
29	United States savings bonds, Series F-1943.....	2.53	267,440.40	2,792,449.45
29	United States savings bonds, Series G-1943.....	2.50	303,000.00	4,139,700.00
29	United States savings bonds, Series F-1944.....	2.90	1,955,651,645.00	155,118.75
29	United States savings bonds, Series F-1944.....	2.53	157,193,993.00	305,264.50
29	United States savings bonds, Series G-1944.....	2.50	521,359,100.00	276,600.00
29	United States savings bonds, unclassified sales.....	2.90	<sup>5</sup> 15,866,837.63	
29	Depository bonds, First Series.....	2	11,530,000.00	
29	Depository bonds, Second Series.....	2	6,819,500.00	9,467,000.00
29	Adjusted service bonds.....	3	94,700.00	441,400.00
29	Treasury notes, Tax Series A-1945.....	1.92		2,732,225.00
29	Treasury savings notes, Series C-1945.....	1.07	50,000.00	26,719,900.00
29	Treasury savings notes, Series C-1946.....	1.07	<sup>6</sup> 21,700.00	151,026,900.00
29	Treasury savings notes, Series C-1947.....	1.07	1,017,053,400.00	978,000.00
29	Miscellaneous.....			500.00
	Total, February.....		20,977,786,741.99	6,604,587,386.97
Mar. 2	Treasury bills, issued December 2, 1943.....	.375		1,006,365,000.00
2	Treasury bills, maturing June 1, 1944.....	.375	1,007,386,000.00	
9	Treasury bills, issued December 9, 1943.....	.375		1,011,374,000.00
9	Treasury bills, maturing June 8, 1944.....	.374	1,035,494,000.00	
15	Treasury notes, Series B-1944, redeemed in exchange for $2\frac{1}{2}$ % Treasury bonds of 1965-70 (additional issue).....	1		2,883,300.00
15	Treasury notes, Series B-1944, redeemed in exchange for $2\frac{1}{4}$ % Treasury bonds of 1956-59 (additional issue).....	1		7,010,200.00
15	Treasury notes, Series B-1944, redeemed in exchange for $1\frac{1}{2}$ % Treasury notes, Series A-1948.....	1		473,095,400.00
15	Treasury notes, Series B-1944.....	1		32,221,500.00
15	Treasury bonds of 1944-46, redeemed in exchange for $2\frac{1}{2}$ % Treasury bonds of 1965-70 (additional issue).....	$3\frac{1}{4}$		36,696,150.00

Footnotes at end of table.

TABLE 28.—*Issues, maturities, and redemptions of interest-bearing securities, exclusive of trust account and other special issues, July 1943 through June 1944*—  
Continued

Date	Issue	Rate of interest <sup>1</sup>	Amount issued <sup>2</sup>	Amount matured, or called or redeemed prior to maturity <sup>4</sup>
		Percent		
1944				
Mar. 15	Treasury bonds of 1944-46, redeemed in exchange for 2½% Treasury bonds of 1956-59 (additional issue).....	3¼	-----	\$35,169,450.00
15	Treasury bonds of 1944-46, redeemed in exchange for 1½% Treasury notes, Series A-1948.....	3¼	-----	1,151,041,350.00
15	Treasury notes, Series A-1944, redeemed in exchange for 2½% Treasury bonds of 1965-70 (additional issue).....	¾	-----	2,006,200.00
15	Treasury notes, Series A-1944, redeemed in exchange for 2¼% Treasury bonds of 1956-59 (additional issue).....	¾	-----	1,986,700.00
15	Treasury notes, Series A-1944, redeemed in exchange for 1½% Treasury notes, Series A-1948.....	¾	-----	265,635,300.00
15	Treasury bonds of 1965-70 (additional issue).....	2½	\$76,533,000.00	-----
15	Treasury bonds of 1956-59 (additional issue).....	2¼	94,871,500.00	-----
15	Treasury notes, Series A-1948.....	1½	3,747,702,000.00	-----
16	Treasury bills, issued December 16, 1943.....	.375	-----	1,000,180,000.00
16	Treasury bills, maturing June 15, 1944.....	.375	1,016,136,000.00	-----
23	Treasury bills, issued December 23, 1943.....	.375	-----	1,005,549,000.00
23	Treasury bills, maturing June 22, 1944.....	.375	1,001,087,000.00	-----
30	Treasury bills, issued December 30, 1943.....	.375	-----	1,010,983,000.00
30	Treasury bills, maturing June 29, 1944.....	.375	1,009,650,000.00	-----
31	United States savings bonds, Series A-1935.....	2.90	903,695.50	236,423.00
31	United States savings bonds, Series B-1936.....	2.90	977,245.25	437,759.50
31	United States savings bonds, Series C-1937.....	2.90	659,968.00	609,362.00
31	United States savings bonds, Series C-1938.....	2.90	794,940.25	761,470.25
31	United States savings bonds, Series D-1939.....	2.90	1,147,738.50	1,416,541.00
31	United States savings bonds, Series D-1940.....	2.90	2,067,310.25	2,134,380.75
31	United States savings bonds, Series D-1941.....	2.90	638,426.75	937,700.25
31	United States savings bonds, Series E-1941.....	2.90	662,145.78	4,014,256.74
31	United States savings bonds, Series F-1941.....	2.53	130,739.68	790,210.89
31	United States savings bonds, Series G-1941.....	2.50	-----	2,018,300.00
31	United States savings bonds, Series E-1942.....	2.90	10,646,786.23	37,797,023.45
31	United States savings bonds, Series F-1942.....	2.53	501,294.80	2,899,785.44
31	United States savings bonds, Series G-1942.....	2.50	29,400.00	5,367,600.00
31	United States savings bonds, Series E-1943.....	2.90	13,958,470.50	178,173,142.39
31	United States savings bonds, Series F-1943.....	2.53	486,979.30	2,905,973.10
31	United States savings bonds, Series G-1943.....	2.50	240,100.00	5,588,800.00
31	United States savings bonds, Series E-1944.....	2.90	581,812,849.75	21,420,340.14
31	United States savings bonds, Series F-1944.....	2.53	22,498,616.50	46,472.00
31	United States savings bonds, Series G-1944.....	2.50	110,077,000.00	526,800.00
31	United States savings bonds, unclassified sales.....	2.90	<sup>3</sup> 21,580,001.32	-----
31	Depository bonds, First Series.....	2	37,227,000.00	375,000.00
31	Depository bonds, Second Series.....	2	598,000.00	4,000.00
31	Adjusted service bonds.....	3	191,350.00	382,400.00
31	Treasury notes, Tax Series A-1945.....	1.92	-----	16,835,500.00
31	Treasury savings notes, Series C-1945.....	1.07	-----	230,391,300.00
31	Treasury savings notes, Series C-1946.....	1.07	-----	772,940,525.00
31	Treasury savings notes, Series C-1947.....	1.07	238,123,600.00	321,694,700.00
31	Miscellaneous.....	-----	-----	25,500.00
	Total, March.....	-----	9,991,653,555.72	8,652,927,815.90
Apr. 1	Certificates of indebtedness, Series B-1944, redeemed in exchange for certificates of indebtedness, Series B-1945.....	¾	-----	4,876,729,000.00
1	Certificates of indebtedness, Series B-1944.....	¾	-----	374,002,000.00
1	Certificates of indebtedness, Series B-1945.....	¾	4,876,729,000.00	-----
6	Treasury bills, issued Jan. 6, 1944.....	.373	-----	1,014,806,000.00
6	Treasury bills, maturing Jan. 6, 1944.....	.375	1,007,677,000.00	-----
13	Treasury bills, issued Jan. 13, 1944.....	.374	-----	1,000,234,000.00
13	Treasury bills, maturing July 13, 1944.....	.375	1,014,523,000.00	-----
15	Treasury bonds of 1944-46 (called for redemption).....	3¼	-----	295,830,700.00
20	Treasury bills, issued Jan. 20, 1944.....	.374	-----	1,017,182,000.00
20	Treasury bills, maturing July 20, 1944.....	.375	1,013,435,000.00	-----
27	Treasury bills, issued Jan. 27, 1944.....	.374	-----	1,016,925,000.00
27	Treasury bills, maturing July 27, 1944.....	.375	1,015,902,000.00	-----
30	United States savings bonds, Series A-1935.....	2.90	807,715.50	243,111.50
30	United States savings bonds, Series B-1936.....	2.90	984,634.25	377,455.50
30	United States savings bonds, Series C-1937.....	2.90	575,891.50	595,009.75
30	United States savings bonds, Series C-1938.....	2.90	804,458.50	834,786.50

Footnotes at end of table.

TABLE 28.—*Issues, maturities, and redemptions of interest-bearing securities, exclusive of trust account and other special issues, July 1943 through June 1944*<sup>1</sup>—  
Continued

Date	Issue	Rate of interest <sup>2</sup>	Amount issued <sup>3</sup>	Amount matured, or called or redeemed prior to maturity <sup>4</sup>
1944		<i>Percent</i>		
Apr. 30	United States savings bonds, Series D-1939.....	2.90	\$1,118,219.25	\$1,458,415.75
30	United States savings bonds, Series D-1940.....	2.90	1,390,375.75	1,986,739.25
30	United States savings bonds, Series D-1941.....	2.90	772,841.75	1,009,448.00
30	United States savings bonds, Series E-1941.....	2.90	745,706.27	3,803,728.27
30	United States savings bonds, Series F-1941.....	2.53	146,122.93	571,603.70
30	United States savings bonds, Series G-1941.....	2.50	-----	1,445,800.00
30	United States savings bonds, Series E-1942.....	2.90	9,929,567.12	32,980,164.15
30	United States savings bonds, Series F-1942.....	2.53	442,677.36	2,145,572.82
30	United States savings bonds, Series G-1942.....	2.50	14,400.00	5,174,200.00
30	United States savings bonds, Series E-1943.....	2.90	12,654,108.75	121,131,130.84
30	United States savings bonds, Series F-1943.....	2.53	516,131.05	2,272,074.25
30	United States savings bonds, Series G-1943.....	2.50	<sup>6</sup> 279,100.00	5,646,500.00
30	United States savings bonds, Series E-1944.....	2.90	597,467,670.39	51,986,973.81
30	United States savings bonds, Series F-1944.....	2.53	19,133,438.50	50,875.00
30	United States savings bonds, Series G-1944.....	2.50	113,792,400.00	415,500.00
30	United States savings bonds, unclassified sales.....	2.90	<sup>5</sup> 907,118.14	-----
30	Depository bonds, First Series.....	2	14,707,000.00	660,000.00
30	Depository bonds, Second Series.....	2	262,000.00	264,000.00
30	Adjusted service bonds.....	3	149,150.00	287,400.00
30	Treasury notes, Tax Series A-1945.....	1.92	-----	10,646,425.00
30	Treasury savings notes, Series C-1945.....	1.07	-----	35,011,975.00
30	Treasury savings notes, Series C-1946.....	1.07	-----	166,773,375.00
30	Treasury savings notes, Series C-1947.....	1.07	299,749,300.00	111,147,300.00
	Total, April.....		10,003,243,490.73	10,157,618,324.09
May 1	Certificates of indebtedness, Series C-1944, redeemed in exchange for certificates of indebtedness, Series D-1945.....	<sup>7</sup> 78	-----	1,614,741,000.00
1	Certificates of indebtedness, Series C-1944.....	<sup>7</sup> 78	-----	40,462,000.00
1	Certificates of indebtedness, Series D-1945.....	<sup>7</sup> 78	1,614,741,000.00	-----
4	Treasury bills, issued Feb. 3, 1944.....	<sup>7</sup> 374	-----	1,002,280,000.00
4	Treasury bills, maturing Aug. 3, 1944.....	<sup>7</sup> 374	1,017,106,000.00	-----
11	Treasury bills, issued Feb. 10, 1944.....	<sup>7</sup> 374	-----	1,005,662,000.00
11	Treasury bills, maturing Aug. 10, 1944.....	<sup>7</sup> 375	1,206,949,000.00	-----
18	Treasury bills, issued Feb. 17, 1944.....	<sup>7</sup> 375	-----	1,012,743,000.00
18	Treasury bills, maturing Aug. 17, 1944.....	<sup>7</sup> 375	1,206,312,000.00	-----
25	Treasury bills, issued Feb. 24, 1944.....	<sup>7</sup> 375	-----	1,007,677,000.00
25	Treasury bills, maturing Aug. 24, 1944.....	<sup>7</sup> 375	1,214,114,000.00	-----
31	United States savings bonds, Series A-1935.....	2.90	671,572.00	337,637.50
31	United States savings bonds, Series B-1936.....	2.90	899,578.25	459,049.00
31	United States savings bonds, Series C-1937.....	2.90	517,757.25	741,145.75
31	United States savings bonds, Series C-1938.....	2.90	717,939.25	903,273.75
31	United States savings bonds, Series D-1939.....	2.90	1,326,426.25	1,545,929.50
31	United States savings bonds, Series D-1940.....	2.90	1,203,751.25	2,201,537.00
31	United States savings bonds, Series D-1941.....	2.90	2,250.00	1,075,451.00
31	United States savings bonds, Series E-1941.....	2.90	2,222,219.74	4,361,917.49
31	United States savings bonds, Series F-1941.....	2.53	522,930.51	570,500.00
31	United States savings bonds, Series G-1941.....	2.50	900.00	3,002,000.00
31	United States savings bonds, Series E-1942.....	2.90	7,930,882.01	36,392,589.73
31	United States savings bonds, Series F-1942.....	2.53	511,781.72	2,374,771.34
31	United States savings bonds, Series G-1942.....	2.50	126,700.00	5,203,400.00
31	United States savings bonds, Series E-1943.....	2.90	3,983,114.62	124,240,344.11
31	United States savings bonds, Series F-1943.....	2.53	216,689.60	3,274,459.60
31	United States savings bonds, Series G-1943.....	2.50	86,900.00	7,086,400.00
31	United States savings bonds, Series E-1944.....	2.90	626,885,504.36	84,667,964.03
31	United States savings bonds, Series F-1944.....	2.53	15,065,207.00	52,945.75
31	United States savings bonds, Series G-1944.....	2.50	110,873,900.00	369,600.00
31	United States savings bonds, unclassified sales.....	2.90	<sup>6</sup> 4,670,429.56	-----
31	Depository bonds, First Series.....	2	12,993,000.00	12,030,000.00
31	Depository bonds, Second Series.....	2	251,000.00	694,000.00
31	Adjusted service bonds.....	3	258,350.00	333,800.00
31	Treasury notes, Tax Series A-1945.....	1.92	-----	2,659,800.00
31	Treasury savings notes, Series C-1945.....	1.07	-----	11,432,900.00
31	Treasury savings notes, Series C-1946.....	1.07	-----	114,858,900.00
31	Treasury savings notes, Series C-1947.....	1.07	145,128,400.00	58,747,400.00
31	Miscellaneous.....		-----	1,000.00
	Total, May.....		7,186,948,324.25	6,162,395,775.55

Footnotes at end of table.

TABLE 28.—*Issues, maturities, and redemptions of interest-bearing securities, exclusive of trust account and other special issues, July 1943 through June 1944*<sup>1</sup>—Continued

Date	Issue	Rate of interest <sup>2</sup>	Amount issued <sup>3</sup>	Amount matured, or called or redeemed prior to maturity <sup>4</sup>
		Percent		
1944				
June 1	Treasury bills, issued Mar. 2, 1944.....	.375		\$1,007,386,000.00
1	Treasury bills, maturing Aug. 31, 1944.....	.375	\$1,215,335,000.00	
8	Treasury bills, issued Mar. 9, 1944.....	.374		1,035,494,000.00
8	Treasury bills, maturing Sept. 7, 1944.....	.375	1,202,620,000.00	
15	Treasury bills, issued Mar. 16, 1944.....	.375		1,016,136,000.00
15	Treasury bills, maturing Sept. 14, 1944.....	.375	1,200,955,000.00	
15	Treasury notes, Series A-1944.....	.34		145,889,300.00
22	Treasury bills, issued Mar. 23, 1944.....	.375		1,001,087,000.00
22	Treasury bills, maturing Sept. 21, 1944.....	.375	1,211,582,000.00	
26	Treasury bonds of 1965-70 (additional issue)....	2½	2,908,660,000.00	
26	Treasury bonds of 1952-54.....	2	5,824,423,500.00	
26	Treasury notes, Series B-1947.....	1½	1,948,054,000.00	
26	Certificates of indebtedness, Series C-1945.....	7½	4,770,046,000.00	
29	Treasury bills, issued Mar. 30, 1944.....	.375		1,009,650,000.00
29	Treasury bills, maturing Sept. 28, 1944.....	.375	1,207,844,000.00	
30	United States savings bonds, Series A-1935.....	2.90	786,743.50	234,232.00
30	United States savings bonds, Series B-1936.....	2.90	1,703,516.75	454,949.50
30	United States savings bonds, Series C-1937.....	2.90	755,462.75	587,497.50
30	United States savings bonds, Series C-1938.....	2.90	1,052,865.25	745,670.50
30	United States savings bonds, Series D-1939.....	2.90	2,102,889.00	1,459,087.00
30	United States savings bonds, Series D-1940.....	2.90	1,777,001.50	1,876,577.25
30	United States savings bonds, Series D-1941.....	2.90	2,250.00	941,658.00
30	United States savings bonds, Series E-1941.....	2.90	4,239,260.49	4,162,974.03
30	United States savings bonds, Series F-1941.....	2.53	502,509.31	747,738.85
30	United States savings bonds, Series G-1941.....	2.50		2,212,300.00
30	United States savings bonds, Series E-1942.....	2.90	8,863,345.30	30,985,937.36
30	United States savings bonds, Series F-1942.....	2.53	536,988.49	2,164,892.77
30	United States savings bonds, Series G-1942.....	2.50	8,100.00	5,473,200.00
30	United States savings bonds, Series E-1943.....	2.90	8,188,793.25	94,986,558.62
30	United States savings bonds, Series F-1943.....	2.53	168,904.25	3,287,068.25
30	United States savings bonds, Series G-1943.....	2.50	496,200.00	7,370,200.00
30	United States savings bonds, Series E-1944.....	2.90	1,300,026,682.00	89,597,265.77
30	United States savings bonds, Series F-1944.....	2.53	115,013,425.50	197,988.25
30	United States savings bonds, Series G-1944.....	2.50	376,779,600.00	92,300.00
30	United States savings bonds, unclassified sales.....	2.90	43,725,094.48	
30	Depository bonds, First Series.....	2	5,531,000.00	243,000.00
30	Depository bonds, Second Series.....	2	135,000.00	36,000.00
30	Adjusted service bonds.....	3	249,300.00	1,009,500.00
30	Treasury notes, Tax Series A-1945.....	1.92		9,365,650.00
30	Treasury savings notes, Series C-1945.....	1.07		174,071,725.00
30	Treasury savings notes, Series C-1946.....	1.07		741,712,300.00
30	Treasury savings notes, Series C-1947.....	1.07	1,922,274,900.00	490,127,000.00
	Total, June.....		25,284,439,382.82	6,879,785,570.65
	Total, fiscal year 1944.....		146,695,769,143.76	82,048,261,637.58

<sup>1</sup> On basis of daily Treasury statements, supplemented by special statements on public debt issues, redemptions, and exchanges by the Bureau of the Public Debt.

<sup>2</sup> For Treasury bills, average rates on a bank discount basis are shown; for United States savings bonds, the approximate yield to maturity is shown.

<sup>3</sup> For United States savings bonds of Series A through F not currently on sale amounts represent accrued discount plus issue price of bonds in adjustment cases; for Series E and F currently on sale amounts represent issue price plus accrued discount; and for Series G amounts represent issue price at par.

<sup>4</sup> For United States savings bonds of Series A through F amounts represent current redemption value (issue price plus accrued discount); and for Series G amounts represent redemption value at par.

<sup>5</sup> Deduct. Represents excess of amounts transferred from unclassified sales to sales of a designated series over amounts received as unclassified sales.

<sup>6</sup> Deduct.



TABLE 29.—*Sources of public debt increase or decrease, fiscal years 1916 through 1944*

[In thousands of dollars. On basis of daily Treasury statements, sec p. 519]

Year	Public debt retirements chargeable against general and special account receipts								
	Sinking fund	Foreign payments			Bonds and notes received for estate taxes	Bonds received for loans from Public Works Administration	Franchise tax receipts, Federal Reserve Banks	Payment from net earnings, Federal intermediate credit banks <sup>1</sup>	Commodity, Credit Corporation capital repayments
		Cash repayments of principal	Bonds, etc., received as repayments of principal	Bonds, etc., received as interest payments					
1916.....									
1917.....									
1918.....							1,134		
1919.....		7,922			93				
1920.....		72,670			3,141		2,922		
1921.....	261,100	73,939			26,349		60,724		
1922.....	276,046	64,838			21,085		60,333		
1923.....	284,019	32,140		68,753	6,569		10,815		
1924.....	295,987	38,509	22,965	87,914	8,897		3,635		
1925.....	306,309	386	22,823	135,970	47		114	680	
1926.....	317,092	4,394	29,000	136,260			59	509	
1927.....	333,528	19,254	25,000	134,962			818	414	
1928.....	354,741	19,068	27,429	135,307	2		250	369	
1929.....	370,277	571	37,895	137,747	20		2,667	266	
1930.....	388,369	51,135	40,335	69,456	73		4,283	172	
1931.....	391,660	48,246					18	74	
1932.....	412,555				1			21	
1933.....	425,660	30,977	1,546	1,364			2,037		
1934.....	359,492		210	147					
1935.....	573,001				1				
1936.....	403,238								
1937.....	103,815			142					
1938.....	65,116		68	142					
1939.....	48,518	120				8,095		1,501	
1940.....	128,349					134		685	
1941.....	37,011					1,321		548	25,364
1942.....	75,342					668		315	18,393
1943.....	3,460								
1944.....	-1								
Total.....	6,214,684	464,160	207,272	908,164	66,278	10,219	149,809	5,555	43,757

Footnotes at end of table.

TABLE 29.—*Sources of public debt increase or decrease, fiscal years 1916 through 1944—Continued*

[In thousands of dollars]

Year	Public debt retirements chargeable against general and special account receipts—Contd.		Surplus or deficit (—) of receipts (general, special, and trust accounts, etc. combined) <sup>2</sup>	Increase or decrease (—) in General Fund balance	Increase or decrease (—) in gross debt	Total gross debt <sup>3</sup>	General Fund balance
	Miscellaneous gifts, forfeitures, etc.	Total					
1915						1,191,362	158,142
1916			48,478	82,262	33,783	1,225,146	240,404
1917			—853,357	897,116	1,750,473	2,975,619	1,137,520
1918		1,134	—9,033,254	447,487	9,479,607	12,455,225	1,585,007
1919		8,015	—13,370,637	—333,342	13,029,281	25,484,506	1,251,665
1920	13	78,746	212,475	—893,963	—1,185,185	24,299,321	357,702
1921	4 5,010	427,123	86,724	191,977	—321,871	23,977,451	549,678
1922	393	422,695	313,802	—277,573	—1,014,069	22,963,382	272,106
1923	555	402,850	309,657	98,834	—613,674	22,349,707	370,939
1924	93	458,000	505,367	—135,525	—1,098,894	21,250,813	235,411
1925	208	466,538	250,505	—17,576	—734,619	20,516,194	217,836
1926	63	487,376	377,768	—7,834	—872,978	19,643,216	210,002
1927	5,578	519,555	635,810	24,055	—1,131,309	18,511,907	234,057
1928	3,090	540,255	398,828	31,470	—907,614	17,604,293	265,527
1929	160	549,604	184,787	61,186	—673,205	16,931,088	326,713
1930	61	553,884	183,789	—8,106	—745,779	16,185,310	318,607
1931	85	440,082	—902,717	153,337	615,972	16,801,281	471,944
1932	53	412,630	—3,153,097	—54,747	2,685,721	19,487,002	417,197
1933	21	461,605	—3,068,267	445,008	3,051,670	22,538,672	862,205
1934	15	359,864	—3,154,616	1,719,717	4,514,469	27,053,141	2,581,922
1935	556	573,558	—2,961,886	—740,576	1,647,752	28,700,893	1,841,346
1936	1	403,240	—4,640,726	840,164	5,077,650	33,778,543	2,681,510
1937	14	103,971	—2,878,078	—128,037	2,646,070	36,424,613	2,553,473
1938	139	65,465	—1,143,147	—337,555	740,127	37,164,740	2,215,918
1939	12	58,246	—2,710,731	622,307	3,274,792	40,439,532	2,838,225
1940	16	129,184	—3,604,665	—947,482	2,527,969	42,967,531	1,890,743
1941	16	64,260	—5,315,742	742,431	5,993,913	48,961,444	2,633,174
1942	5	94,722	—23,197,751	357,973	23,461,002	72,422,445	2,991,147
1943	4	3,463	—57,761,690	6,515,419	64,273,645	136,696,090	9,506,566
1944	3	2	—53,645,313	10,661,986	64,307,297	201,003,387	20,168,552
Total	16,164	8,086,067	—187,887,684	20,010,410	199,812,026		

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Revised.<sup>2</sup> Act of Mar. 4, 1923 (42 Stat. 1456, sec. 206 (b)), requiring division of net earnings, was amended by act of May 19, 1932 (47 Stat. 159, sec. 3). Act of Aug. 19, 1937 (50 Stat. 715, sec. 30), provides for franchise tax.<sup>3</sup> For explanation of accounts, see p. 520.<sup>4</sup> Does not include obligations issued by Government corporations and credit agencies and guaranteed by the United States.<sup>5</sup> Includes \$4,842,066.45 written off the debt Dec. 31, 1920, on account of fractional currency estimated to have been lost or destroyed in circulation.

## RECONCILIATION OF INCREASE IN PUBLIC DEBT

[In thousands of dollars]

Increase in debt on account of—	
Deficit in receipts (all accounts).....	191,395,674
Increase in General Fund balance.....	20,010,410
Total.....	211,406,084
Retirements from—	
Charges against general and special accounts.....	8,086,067
Surplus of receipts.....	3,507,990
Total.....	11,594,057
Net increase.....	199,812,026
Gross debt:	
June 30, 1915.....	1,191,362
June 30, 1944.....	201,003,387
Net increase.....	199,812,026

TABLE 30.—*Transactions on account of the cumulative sinking fund, fiscal year 1944*

[On basis of Public Debt accounts, see p. 519]

Unexpended balance July 1, 1943.....	\$3,762,164,591.22
Appropriation for 1944:	
Initial credit:	
(a) Under the Victory Liberty Loan Act (2½% of the aggregate amount of Liberty bonds and Victory notes outstanding on July 1, 1920, less an amount equal to the par amount of any obligation of foreign governments held by the United States on July 1, 1920).....	\$253,404,864.87
(b) Under the Emergency Relief and Construction Act of 1932 (2½% of the aggregate amount of expenditures from appropriations made or authorized under this act).....	7,860,606.83
(c) Under the National Industrial Recovery Act (2½% of the aggregate amount of expenditures from appropriations made or authorized under this act).....	80,144,869.14
Secondary credit (the interest which would have been payable during the fiscal year for which the appropriation is made on the bonds and notes purchased, redeemed, or paid out of the sinking fund during such year or in previous years).....	341,410,340.84
	246,161,682.49
	587,572,023.33
Total available, 1944.....	4,349,736,614.55
Securities retired in 1944.....	
Unexpended balance June 30, 1944.....	4,349,736,614.55

TABLE 31.—*Transactions on account of the cumulative sinking fund, fiscal years 1921 through 1944*

[On basis of Public Debt accounts, see p. 519]

Year	Appropriation available <sup>1</sup>	Debt retired (par amount)	Expended (principal cost)
1921.....	\$256,230,010.66	\$261,250,250.00	\$254,844,576.50
1922.....	274,516,965.89	275,896,000.00	274,481,902.16
1923.....	284,156,439.19	284,018,800.00	284,149,754.16
1924.....	294,927,023.26	295,987,350.00	294,927,019.57
1925.....	306,666,759.52	306,308,400.00	306,666,736.01
1926.....	321,184,577.22	317,091,750.00	321,184,468.20
1927.....	336,890,916.27	333,528,400.00	336,890,832.47
1928.....	355,081,401.18	354,741,300.00	355,080,563.11
1929.....	370,241,327.02	370,277,100.00	370,241,297.84
1930.....	382,925,568.19	388,368,950.00	382,925,400.49
1931.....	392,152,206.17	391,600,000.00	392,152,187.50
1932.....	410,850,121.31	412,554,750.00	410,850,073.60
1933.....	425,575,012.75	425,660,300.00	425,569,628.44
1934.....	438,540,888.81	359,491,900.00	359,186,053.82
1935.....	573,183,651.62	573,000,000.00	573,000,000.00
1936.....	553,224,372.89	403,340,750.00	403,340,750.00
1937.....	722,650,458.86	103,733,650.00	103,733,650.00
1938.....	1,196,526,189.72	65,232,400.00	65,232,400.00
1939.....	1,712,184,276.95	48,514,500.00	48,514,500.00
1940.....	2,245,640,231.87	128,291,450.00	128,291,450.00
1941.....	2,703,177,570.83	36,959,600.00	36,959,600.00
1942.....	3,253,124,673.51	75,332,550.00	75,332,550.00
1943.....	3,765,607,191.22	3,442,600.00	3,442,600.00
1944.....	4,349,736,614.55		
Total.....	10,556,734,608.42	6,214,682,750.00	6,206,997,993.87

<sup>1</sup> Unexpended balance each year included in appropriation available for next year, but excluded from total. Unexpended balance \$4,349,736,614.55 at end of 1944.

TABLE 32.—*Securities retired through the cumulative sinking fund, par amount and principal cost, through June 30, 1944*

[On basis of Public Debt accounts, see p. 519]

Issue	Par amount	Principal cost
<b>Liberty bonds:</b>		
First 3½'s.....	\$142,090,650	\$142,090,650.00
First 4's.....	1,831,600	1,824,103.09
First 4½'s.....	123,491,600	123,493,498.13
First-second 4½'s.....	428,800	428,800.00
Second 4's.....	670,900	671,196.27
Second 4½'s.....	374,735,400	374,988,667.88
Third 4½'s.....	1,261,876,000	1,268,640,946.97
Fourth 4½'s.....	1,043,670,550	1,043,484,085.28
<b>Victory notes:</b>		
3½'s.....	106,186,900	104,542,256.28
4½'s.....	610,584,150	604,769,347.07
<b>Treasury bonds:</b>		
4½% of 1947-52.....	10,000	10,000.00
4% of 1944-54.....	69,100	69,100.00
3½% of 1946-56.....	7,000	7,000.00
3½% of 1943-47.....	38,901,550	38,169,957.24
3½% of 1940-43.....	72,972,250	72,862,346.05
3½% of 1941-43.....	64,291,800	63,426,727.18
3½% of 1946-49.....	2,321,500	2,310,379.60
3% of 1951-55.....	8,678,300	8,517,873.61
3½% of 1941.....	30,346,050	30,337,528.40
3½% of 1943-45.....	609,750	602,614.64
3½% of 1944-46.....	121,150	121,150.00
3% of 1946-48.....	10,000	10,000.00
3½% of 1949-52.....	2,000	2,000.00
2½% of 1955-60.....	55,050	55,050.00
2½% of 1945-47.....	24,950	24,950.00
<b>Treasury notes:</b>		
5½% Series B-1924.....	103,000,000	103,028,635.62
4½% Series A-1925.....	101,060,000	101,004,123.53
4½% Series B-1925.....	11,315,900	11,279,715.38
4½% Series C-1925.....	113,199,900	113,196,011.61
4½% Series A-1926.....	1,018,300	1,018,300.00
4½% Series B-1926.....	9,564,200	9,485,492.59
4½% Series A-1927.....	26,798,000	26,880,711.16
4½% Series B-1927.....	60,217,900	60,217,900.00
3½% Series A-1930-32.....	691,284,850	687,390,338.29
3½% Series B-1930-32.....	41,989,300	41,682,698.99
3½% Series C-1930-32.....	359,556,100	358,811,853.00
3½% Series 1932.....	418,764,000	418,764,000.00
3% Series A-1934.....	7,513,700	7,513,700.00
2½% Series D-1935.....	6,940,000	6,940,000.00
3½% Series A-1936.....	18,573,600	18,581,100.00
2½% Series B-1936.....	10,555,100	10,542,080.01
2½% Series C-1936.....	25,951,900	25,913,939.07
1½% Series D-1936.....	1,875,900	1,875,900.00
1½% Series E-1936.....	7,862,800	7,862,800.00
3½% Series A-1937.....	57,215,300	57,209,592.52
3% Series B-1937.....	22,473,500	22,438,520.95
3% Series C-1937.....	21,562,900	21,562,900.00
2½% Series A-1938.....	15,560,000	15,541,747.20
2½% Series B-1938.....	12,500,000	12,393,106.26
3% Series C-1938.....	3,484,100	3,484,100.00
2½% Series D-1938.....	17,001,750	17,001,750.00
1½% Series E-1938.....	8,919,000	8,919,000.00
2½% Series A-1939.....	11,240,000	11,240,000.00
1½% Series B-1939.....	10,366,200	10,366,200.00
1½% Series C-1939.....	11,353,750	11,353,750.00
1½% Series D-1939.....	10,744,400	10,744,400.00
1½% Series A-1940.....	61,543,600	61,543,600.00
1½% Series B-1940.....	15,669,600	15,669,600.00
1½% Series B-1941.....	1,466,500	1,466,500.00
1½% Series C-1941.....	14,307,000	14,307,000.00
1½% Series A-1942.....	18,306,700	18,306,700.00
<b>Total.....</b>	<b>6,214,682,750</b>	<b>6,206,997,993.87</b>

**War loan statistics**  
**TABLE 33.—Dates and goals relating to the five war loans**

War loan	Sales period for marketable issues (formal opening and closing of drives)	Sales period for nonmarketable issues	Date interest commenced on marketable issues	Goals (in millions of dollars)					
				Total	Commer- cial banks	Nonbank investors			
						Total	Individuals		
							Total	Series E savings bonds	Other securities
First.....	Nov. 30-Dec. 23, 1942	Dec. 1-Dec. 31, 1942	Dec. 1, 1942	9,000	25,000	4,000	(3)	(3)	(3)
Second.....	Apr. 12-May 1, 1943	Apr. 1-May 8, 1943	Apr. 15, 1943	13,000	25,000	8,000	(4)	(4)	5,500
Third.....	Sept. 9-Oct. 2, 1943	Sept. 1-Oct. 16, 1943	Sept. 15, 1943	15,000	-----	15,000	5,000	3,000	10,000
Fourth.....	Jan. 18-Feb. 15, 1944	Jan. 1-Feb. 29, 1944	Feb. 1, 1944	14,000	-----	14,000	5,500	3,000	8,500
Fifth.....	June 12-July 8, 1944	June 1-July 31, 1944	June 26, 1944	16,000	-----	16,000	6,000	3,000	10,000

<sup>1</sup> Treasury investment accounts were included in first three war loans only; during succeeding war loans, sales to these accounts were handled outside of drives.

<sup>2</sup> Represents the fixed amount which commercial banks were allowed to buy and not a goal.

<sup>3</sup> Goal for nonbank investors was not subdivided.

<sup>4</sup> No separate goal was set for Series E savings bonds.

TABLE 34.—*Comparison of sales of securities during the five war loans, by classes of investors and by issues*  
 [In millions of dollars. On basis of reports of sales]

Class of investor	Total	Savings bonds (issue price)		Tax and savings notes		Treas- ury bills :	7½% cer- tificates of in- debted- ness	14½% Treas- ury notes	13½% Treas- ury bonds	2% Treas- ury bonds	2½% Treas- ury bonds	2½% Treas- ury bonds	
		Series E	Series F and G 1	Series A 1	Series C 1								
Nonbank investors: Individuals, partnerships, and personal trust accounts:	1,593	726	216	66	122		121		85	472		257	
	3,290	1,473	425		132		246					540	
	5,377	2,472	565		193		366			1,220		561	
	5,309	3,187	573		183		496				517	352	
	6,351	3,036	574		181		468	353		1,322		417	
	Insurance companies:												
	1,699						76		240			1,382	
	2,408						123			703		1,582	
	2,620	4			1		136			894		1,585	
	2,141	35			3		207				801	1,095	
	2,769	7			2		170	309		924		1,357	
	Savings banks:												
	620						51		86			483	
	1,195						105			539		550	
	1,508	1			(*)		119			1,032		354	
	1,262	35			2		136				1,028	61	
	1,525	2			(*)		84	121		1,250		68	
	Corporations and associations: ‡												
	2,625		72		21	1,126		899		242			265
	5,187		242			1,520		2,033			832		560
7,121		231			2,262		2,803			1,357		473	
6,796		341			1,997		3,479				722	256	
8,201		207			2,271		3,318	913		1,242		249	
State and local governments: §													
200							82		30			88	
503							241			82		181	
795		30			26		376			123		235	
789		39			47		452				104	147	
1,260		28			120		582	119		249		163	
Dealers and brokers: ¶													
886							450		318			117	
544							355			189			
894		(*)			(*)		322			480		92	
433		(*)			(*)		266				158	8	
533					1		148	133		242		9	



TABLE 35.—*Sales of Series E war savings bonds of each denomination during the five war loans*  
 [On basis of daily Treasury statements and reports of sales]

War Loan	Denomination													
	Issue price of bonds sold (in millions of dollars)						Percentage distribution							
	\$10	\$25	\$50	\$100	\$500	\$1,000	Total	\$10	\$25	\$50	\$100	\$500	\$1,000	Total
First War Loan.....		265	99	157	89	116	726	-----	36.5	13.6	21.6	12.3	16.0	100.0
Second War Loan.....		426	171	314	225	338	1,473	-----	28.9	11.6	21.3	15.3	22.9	100.0
Third War Loan.....		653	291	617	388	522	2,472	-----	26.4	11.8	25.0	15.7	21.1	100.0
Fourth War Loan.....		892	388	733	447	726	3,187	-----	28.0	12.2	23.0	14.0	22.8	100.0
Fifth War Loan.....	2	929	423	693	403	587	3,030	0.1	30.6	13.9	22.8	13.3	19.3	100.0
	Number of bonds sold (in thousands)													
First War Loan.....		14,136	2,630	2,088	238	155	19,247	-----	73.4	13.7	10.9	1.2	0.8	100.0
Second War Loan.....		22,710	4,568	4,189	599	450	32,515	-----	69.8	14.1	12.9	1.8	1.4	100.0
Third War Loan.....		34,848	7,766	8,232	1,035	696	52,577	-----	66.3	14.8	15.6	2.0	1.3	100.0
Fourth War Loan.....		47,563	10,355	9,777	1,193	908	69,856	-----	68.1	14.8	14.0	1.7	1.4	100.0
Fifth War Loan.....	204	49,530	11,281	9,241	1,075	782	72,113	0.3	68.7	15.6	12.8	1.5	1.1	100.0

NOTE.—Figures are rounded and will not necessarily add to totals.



TABLE 36.—*Sales of securities in the Third War Loan, by States and by classes of investors*

[In millions of dollars. On basis of reports of sales]

State	Total sales	Sales to individuals, partnerships, and personal trust accounts, classified by securities				Sales to corporations and other investors, classified by investor classes					
		Total	Savings bonds (issue price)		Savings notes and marketable securities	Total	Insurance companies	Savings banks	Corporations and associations <sup>1</sup>	Dealers and brokers	State and local governments <sup>2</sup>
			Series E	Series F and G							
Alabama.....	143	71	30	6	35	72	4	(*)	56	1	11
Arizona.....	37	17	10	2	5	19			12	(*)	6
Arkansas.....	63	38	17	4	17	26	(*)		22	(*)	3
California.....	433	197	96	25	76	236	13	20	149	30	24
California (Northern).....	434	167	95	24	47	267	14	(*)	166	45	41
Colorado.....	102	49	23	4	22	53	1	(*)	43		10
Connecticut.....	511	78	42	11	25	432	231	85	102	1	13
Delaware.....	58	16	6	2	8	42	2	1	38		(*)
District of Columbia.....	103	43	26	5	12	60	10		50	(*)	
Florida.....	159	84	28	6	50	74	1	1	65	2	6
Georgia.....	210	122	31	6	86	88	3	5	65	10	6
Idaho.....	28	16	10	1	5	12		(*)	10		2
Illinois.....	1,180	312	142	39	132	868	65	2	741	12	50
Indiana.....	304	118	60	13	45	187	26	1	156		5
Iowa.....	248	114	65	16	34	134	43	(*)	87		4
Kansas.....	125	71	40	8	23	54	2		49		3
Kentucky.....	142	76	28	8	41	66	3		61	1	1
Louisiana.....	140	66	33	7	26	74	2		69	1	2
Maine.....	62	12	7	3	3	39	3	17	16	3	3
Maryland.....	331	95	31	9	56	236	25	73	98	22	18
Massachusetts.....	873	165	81	20	64	707	181	250	247	19	10
Michigan.....	563	218	153	22	43	344	8		279	(*)	55
Minnesota.....	279	102	65	12	26	176	10	7	142	2	16
Mississippi.....	65	44	22	5	17	21	3		17	1	1
Missouri.....	372	125	63	12	49	246	18		226	1	1

Footnotes at end of table.

TABLE 36.—*Sales of securities in the Third War Loan, by States and by classes of investors*—Continued

[In millions of dollars]

State	Total sales	Sales to individuals, partnerships, and personal trust accounts, classified by securities					Sales to corporations and other investors, classified by investor classes					
		Total	Savings bonds (issue price)			Savings notes and marketable securities	Total	Insurance companies	Savings banks	Corporations and associations <sup>1</sup>	Dealers and brokers	State and local governments <sup>2</sup>
			Series E	Series F and G								
Montana.....	41	22	15	3	4	19	3	3	(*)	14	(*)	3
Nebraska.....	118	52	33	5	14	66	12	12	(*)	43	(*)	11
Nevada.....	11	6	3	1	2	5	5	5		3	1	1
New Hampshire.....	51	12	7	2	3	39	3	3	24	12		(*)
New Jersey.....	710	167	76	20	71	544	328	328	24	164	8	20
New Mexico.....	18	10	6	1	2	8	8	8		5		3
New York.....	5,589	851	246	86	519	4,729	1,254	1,254	850	1,910	606	108
North Carolina.....	182	70	34	6	29	112	12	12		82	1	17
North Dakota.....	35	21	17	2	2	14	1	1		7		7
Ohio.....	1,102	363	141	33	188	740	68	68	10	525	78	58
Oklahoma.....	127	58	32	5	21	68	1	1		52		14
Oregon.....	155	86	37	5	44	69	3	3		49		13
Pennsylvania.....	405	174	174	48	182	801	114	114	81	507	24	76
Rhode Island.....	112	26	13	3	9	86	11	11	33	4	(*)	4
South Carolina.....	78	30	18	3	9	48	1	1		38	(*)	9
South Dakota.....	42	23	16	2	6	19	(*)	(*)		10		8
Tennessee.....	185	89	33	7	49	96	9	9	1	76	6	4
Texas.....	520	262	115	24	123	258	37	37		189	8	24
Utah.....	54	17	13	1	3	37	1	1	3	24	(*)	9
Vermont.....	26	8	4	1	2	19	3	3	7	7		2
Virginia.....	194	68	38	9	22	125	22	22		75	1	27
Washington.....	221	81	52	9	19	140	5	5	9	79	2	41
West Virginia.....	135	64	17	3	44	71	1	1		32	12	7
Wisconsin.....	346	98	58	15	25	248	68	68	1	150	(*)	30
Wyoming.....	15	7	5	1	1	7	7	7		4		3

Alaska.....	2	2	1	(*)	(*)	(*)	(*)	(*)	(*)
Hawaii.....	22	11	8	(*)	(*)	(*)	(*)	(*)	1
Other <sup>3</sup> .....	9	8	7	(*)	(*)	(*)	(*)	(*)	1
Unallocated.....	52	34	44						
Total sales to investor classes in- cluded in Third War Loan goals.....	18,314	5,377	2,472						
Other sales <sup>4</sup> .....	630								
Total sales.....	18,944	5,377	2,472	565	2,340	12,937	2,620	1,508	894
				795					

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Less than \$500,000.

<sup>2</sup> Includes elementary institutions and U. S. Government corporations and credit agencies. These Government corporations and credit agencies handle their investments themselves rather than through the facilities of the Treasury Department.

<sup>3</sup> Includes their agencies and their trust, sinking, and investment funds.

<sup>4</sup> Includes the Canal Zone, Puerto Rico, and the Virgin Islands.

<sup>5</sup> Represents sales to Treasury investment accounts. Treasury investment accounts represent those U. S. Government agencies and trust funds whose investments are handled through the facilities of the Treasury Department.

TABLE 37.—Goals and sales of securities in the Third War Loan, by States  
[Dollars in millions. On basis of reports of sales]

State	Total			Individuals, partnerships, and personal trust accounts			Corporations and other investors <sup>1</sup>			Series E savings bonds		
	Goal	Sales	Percent of goal accomplished	Goal	Sales <sup>2</sup>	Percent of goal accomplished	Goal	Sales <sup>2</sup>	Percent of goal accomplished	Goal	Sales	Percent of goal accomplished
Alabama.....	\$108	\$143	132	\$56	\$71	127	\$52	\$72	138	\$35	\$30	85
Arizona.....	92	37	114	17	17	101	15	19	127	11	10	89
Arkansas.....	58	63	109	31	38	122	27	26	95	20	17	86
California.....	424	433	102	182	197	108	242	236	98	105	96	91
California (Northern).....	422	431	103	207	167	81	215	207	124	140	95	68
California (Southern).....												
Colorado.....	72	102	142	37	49	132	35	53	152	22	23	103
Connecticut.....	453	511	113	99	78	79	353	432	122	63	42	67
Delaware.....	49	58	118	15	16	105	34	42	124	8	6	75
District of Columbia.....	94	103	109	50	43	86	44	60	136	30	26	88
Florida.....	117	159	136	58	84	145	59	74	126	35	28	79
Georgia.....	137	210	153	70	122	175	67	88	131	37	31	83
Idaho.....	25	28	114	15	16	109	10	12	120	11	10	90
Illinois.....	921	1,180	128	330	312	95	591	808	147	195	142	73
Indiana.....	257	304	118	118	139	100	137	187	134	75	60	80
Iowa.....	196	248	127	80	114	128	107	134	126	58	65	112
Kansas.....	112	125	112	65	71	109	47	54	116	44	40	90
Kentucky.....	126	142	113	57	76	134	69	66	96	34	28	82
Louisiana.....	123	140	114	58	66	114	65	74	113	37	33	88
Maine.....	54	62	114	27	23	84	27	39	143	18	12	67
Maryland.....	196	331	169	84	95	113	112	236	210	54	31	57
Massachusetts.....	783	873	112	176	165	94	607	707	116	102	81	80
Michigan.....	451	563	125	225	218	97	226	344	152	165	153	93
Minnesota.....	216	279	129	96	102	107	120	176	147	60	65	108
Mississippi.....	53	65	123	34	44	129	19	21	111	21	22	103
Missouri.....	320	372	116	129	125	97	191	246	129	75	63	84
Montana.....	35	41	117	19	22	117	16	19	118	12	15	127
Nebraska.....	103	118	115	47	52	112	56	66	117	32	33	103
Nevada.....	10	11	109	6	6	102	4	5	115	5	3	60
New Hampshire.....	51	51	131	13	12	92	26	39	150	8	7	91
New Jersey.....	585	710	121	185	167	90	400	544	136	118	76	64

New Mexico.....	14	18	130	12	10	80	2	8	415	7	6	90
New York.....	4,709	5,880	118	796	851	107	3,913	4,729	121	366	246	67
North Carolina.....	145	182	126	70	70	100	75	112	150	45	34	76
North Dakota.....	29	35	121	17	14	118	12	14	118	13	17	128
Ohio.....	698	1,102	158	313	363	116	385	740	192	188	141	75
Oklahoma.....	100	127	127	45	58	129	55	68	124	31	32	103
Oregon.....	104	155	149	58	86	148	56	69	150	38	37	96
Pennsylvania.....	1,071	1,205	112	388	405	104	683	801	117	225	174	77
Rhode Island.....	81	112	138	31	26	84	50	86	172	18	13	75
South Carolina.....	61	78	128	33	30	92	28	48	170	23	18	78
South Dakota.....	35	42	121	20	23	117	15	19	127	14	16	112
Tennessee.....	141	185	131	64	89	139	77	96	125	36	33	93
Texas.....	420	520	124	201	262	130	219	258	118	127	115	91
Utah.....	54	41	132	20	17	84	21	37	175	14	13	91
Vermont.....	27	26	98	9	8	86	18	19	103	6	4	75
Virginia.....	153	194	127	74	68	93	79	125	158	48	38	78
Washington.....	191	221	116	88	81	92	103	140	136	66	52	78
West Virginia.....	76	135	177	42	64	152	34	71	209	25	17	70
Wisconsin.....	298	346	116	103	98	95	195	248	127	67	58	87
Wyoming.....	12	15	122	8	7	94	4	7	172	5	5	108
Alaska.....	1	2	198	1	2	149	-----	(*)	-----	1	1	129
Hawaii.....	18	22	125	8	11	133	10	12	117	6	8	144
Other <sup>1</sup> .....	2	9	459	2	8	384	-----	2	-----	2	7	433
Unallocated.....	2	52	-----	2	34	-----	-----	22	-----	-----	44	-----
Totals for investor classes included in Third War Loan goals.....	15,000	18,314	122	5,000	5,377	108	10,000	12,937	129	3,000	2,472	82
Other sales <sup>4</sup> .....	-----	630	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total sales.....	-----	18,944	-----	-----	5,377	-----	-----	12,937	-----	-----	2,472	-----

NOTE.—Dollars are rounded and will not necessarily add to totals.

\* Less than \$500,000.

<sup>1</sup> Comprises insurance companies, savings banks, corporations and associations (including eleemosynary institutions and those U. S. Government corporations and credit agencies which handle their investments themselves rather than through the facilities of the Treasury Department), dealers and brokers, and State and local governments (including their agencies and their trust, sinking, and investment funds).

<sup>2</sup> For further detail see table 36, p. 671.

<sup>3</sup> Includes the Canal Zone, Puerto Rico and the Virgin Islands.

<sup>4</sup> Represents sales to Treasury investment accounts. Treasury investment accounts represent those U. S. Government agencies and trust funds whose investments are handled through the facilities of the Treasury Department.

TABLE 38.—Sales of securities in the Fourth War Loan, by States and by classes of investors

[In millions of dollars. On basis of reports of sales]

State	Total sales	Sales to individuals, partnerships, and personal trust accounts, classified by securities					Sales to corporations and other investors, classified by investor classes				
		Total	Savings bonds (issue price)		Savings notes and marketable securities	Total	Insurance companies	Savings banks	Corporations and associations <sup>1</sup>	Dealers and brokers	State and local governments <sup>2</sup>
			Series E	Series F and G							
Alabama.....	123	68	42	5	21	55	3	1	46	(*)	5
Arizona.....	36	18	13		4	17	(*)	1	13		3
Arkansas.....	60	38	22	3	12	22	(*)	(*)	20	(*)	2
California { Northern.....	409	184	129	27	28	225	13	22	148	14	27
California { Southern.....	489	215	141	27	48	274	16	(*)	194	13	51
Colorado.....	88	45	25		14	43	1		38		7
Connecticut.....	467	96	61	10	24	372	182	79	106	(*)	5
Delaware.....	48	14	7		6	33	2	1	30		(*)
District of Columbia.....	110	51	34	5	12	59	6		53	(*)	(*)
Florida.....	162	95	41	7	47	67	1	1	62	(*)	3
Georgia.....	164	82	42	6	34	82	2	6	61	1	12
Idaho.....	29	17	13		2	13	(*)	(*)	11		1
Illinois.....	1,209	322	204	41	78	887	60	1	754	23	49
Indiana.....	292	117	81	12	24	176	23	2	149	(*)	2
Iowa.....	229	123	82	17	24	106	36	(*)	66	(*)	3
Kansas.....	137	81	51	9	21	56	3	(*)	51	(*)	2
Kentucky.....	127	69	36	9	24	57	3		51	(*)	3
Louisiana.....	127	55	38	6	12	71	2		67	(*)	2
Maine.....	66	26	16	4	6	41	1		24		4
Maryland.....	280	97	40		48	184	20	47	92	15	11
Massachusetts.....	827	178	112	22	43	649	156	236	233	15	9
Michigan.....	785	236	184	16	36	349	10	3	267	1	68
Minnesota.....	289	102	72	12	18	186	9	6	149	1	21
Mississippi.....	82	44	28	5	1	19	1	(*)	19	(*)	17
Missouri.....	360	130	79	16	35	229	23		202	(*)	4
Montana.....	42	22	17	2	3	20	1		15		4
Nebraska.....	110	54	40	5	10	56	10	(*)	38	(*)	8
Nevada.....	12	8	4	1	2	4			3	1	1
New Hampshire.....	52	14	10		3	38	2	22	13		2
New Jersey.....	781	186	110	21	55	595	347	21	186	1	41

New Mexico.....	21	11	9	1	2	10	(*)	671	6	300	3
New York.....	4,665	841	364	98	380	3,824	936	11	1,814	2	102
North Carolina.....	172	75	45	6	24	97	11	1	71	(*)	13
North Dakota.....	37	24	20	2	2	13	1	(*)	9	4	4
Ohio.....	896	288	178	27	84	608	43	6	476	32	51
Oklahoma.....	114	60	42	4	14	54	1	1	45	(*)	8
Oregon.....	129	73	44	4	25	56	2	(*)	44	(*)	10
Pennsylvania.....	1,069	396	224	48	124	672	81	79	457	6	49
Rhode Island.....	106	26	17	3	6	80	11	27	42	(*)	1
South Carolina.....	66	34	21	3	10	32	2	2	27	(*)	3
South Dakota.....	40	21	17	2	2	19	(*)	(*)	9	10	10
Tennessee.....	161	70	40	6	21	91	9	(*)	79	3	3
Texas.....	479	250	145	21	84	230	25	5	175	3	27
Utah.....	49	20	16	1	3	29	1	5	19	3	3
Vermont.....	34	9	6	1	2	25	5	7	10	2	2
Virginia.....	185	79	54	8	17	106	15	15	64	(*)	26
Washington.....	223	88	69	9	10	134	6	5	81	1	41
West Virginia.....	102	41	26	3	13	60	1	1	45	1	14
Wisconsin.....	336	100	70	15	16	236	59	1	131	2	44
Wyoming.....	17	9	8	1	1	7	(*)	(*)	4	3	3
Alaska.....	4	2	2	(*)	(*)	2	(*)	(*)	2	(*)	5
Hawaii.....	33	13	11	1	(*)	21	1	(*)	15	(*)	(*)
Other <sup>1</sup> .....	7	6	4	1	2	1	(*)	(*)	1	(*)	(*)
Unallocated.....	-4	-15	-15			11			11		
Total sales.....	16,730	5,309	3,187	573	1,549	11,421	2,141	1,262	6,796	433	789

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup>Less than \$500,000.

Includes eleemosynary institutions and U. S. Government corporations and credit agencies. These Government corporations and credit agencies handle their investments themselves rather than through the facilities of the Treasury Department.

<sup>2</sup> Includes their agencies and their trust, sinking, and investment funds. Includes the Canal Zone, Puerto Rico, and the Virgin Islands.

TABLE 39.—Goals and sales of securities in the Fourth War Loan, by States  
 [Dollars in millions. On basis of reports of sales]

State	Total			Individuals, partnerships, and personal trust accounts			Corporations and investors <sup>1</sup>			Series E savings bonds		
	Goal	Sales	Percent of goal accomplished	Goal	Sales <sup>2</sup>	Percent of goal accomplished	Goal	Sales <sup>2</sup>	Percent of goal accomplished	Goal	Sales	Percent of goal accomplished
Alabama.....	\$93	\$123	132	\$51	\$68	134	\$12	\$55	131	\$34	\$42	124
Arizona.....	30	36	118	20	18	93	10	17	170	13	13	97
Arkansas.....	48	60	125	32	38	118	16	22	140	20	22	112
California.....	409	409	100	209	184	88	199	225	113	114	129	113
(Northern)	436	439	112	205	215	105	231	274	119	132	141	107
(Southern)												
Colorado.....	70	88	125	40	45	112	30	43	143	23	25	109
Connecticut.....	426	407	110	124	96	77	302	372	123	60	61	102
Delaware.....	43	48	111	19	14	76	24	33	138	8	7	87
District of Columbia.....	95	110	116	53	51	97	42	59	140	30	34	115
Florida.....	121	162	134	64	95	148	57	67	118	35	41	116
Georgia.....	129	161	128	70	82	118	59	82	139	37	42	113
Idaho.....	24	29	122	16	17	104	8	13	160	11	13	118
Illinois.....	200	1,200	134	368	322	88	537	887	165	201	204	101
Indiana.....	935	292	126	125	117	93	108	176	163	75	81	108
Iowa.....	177	229	129	92	123	134	85	106	125	56	82	147
Kansas.....	112	137	122	65	81	124	47	55	120	43	51	118
Kentucky.....	104	127	122	56	69	124	48	57	119	33	36	110
Louisiana.....	96	127	132	54	55	103	42	71	170	33	38	115
Maine.....	59	66	113	31	26	83	14	28	146	16	16	116
Maryland.....	191	280	147	93	97	104	98	184	187	49	40	81
Massachusetts.....	794	827	104	258	178	69	536	649	121	108	112	104
Michigan.....	440	585	133	263	236	93	187	349	187	165	184	111
Minnesota.....	200	280	144	104	102	98	96	186	194	64	72	113
Mississippi.....	53	82	154	35	44	126	18	38	209	24	28	117
Missouri.....	282	360	128	136	130	96	116	229	157	74	79	106
Montana.....	31	42	135	20	22	110	11	20	180	12	17	142
Nebraska.....	94	110	117	53	54	103	41	56	136	34	40	117
Nevada.....	10	12	119	8	7	108	3	4	144	4	4	110
New Hampshire.....	41	52	127	15	14	145	26	38	145	7	10	141
New Jersey.....	600	781	130	219	186	85	381	595	156	117	110	94



New Mexico.....	16	21	129	11	101	5	10	7	9	123
New York.....	4, 198	4, 665	111	841	92	3, 287	3, 824	384	364	95
North Carolina.....	126	170	137	75	107	56	97	45	45	103
North Dakota.....	24	37	153	24	139	7	13	11	20	181
Ohio.....	672	896	133	288	92	360	608	174	178	102
Oklahoma.....	90	114	127	58	104	32	54	37	42	113
Oregon.....	99	129	130	54	135	45	56	38	44	115
Pennsylvania.....	978	1, 069	423	396	94	555	672	217	224	103
Rhode Island.....	80	106	133	38	68	42	80	17	17	98
South Carolina.....	54	66	122	33	102	21	32	21	21	100
South Dakota.....	28	40	144	17	123	11	19	12	17	144
Tennessee.....	126	161	128	65	108	61	91	37	40	109
Texas.....	395	479	121	210	119	185	230	130	145	111
Utah.....	49	49	121	20	90	18	29	14	16	113
Vermont.....	27	34	125	8	114	19	25	5	6	113
Virginia.....	143	185	129	78	102	65	106	47	54	116
Washington.....	183	223	122	96	92	87	134	64	69	108
West Virginia.....	75	102	136	40	103	35	60	24	26	107
Wisconsin.....	258	336	130	113	89	145	236	66	70	106
Wyoming.....	12	17	140	9	104	3	7	5	8	152
Alaska.....	2	4	202	2	116	2	2	1	2	133
Hawaii.....	19	33	175	12	105	7	21	8	11	141
Other <sup>1</sup> .....	10	7	75	8	81	2	1	7	4	53
Unallocated.....	—4	—15	—15	—15	—15	—15	—15	—15	—15	—15
Total.....	14, 000	16, 730	120	5, 309	97	8, 500	11, 421	3, 000	3, 187	106

NOTE.—Dollars are rounded and will not necessarily add to totals.

<sup>1</sup> Comprises insurance companies, savings banks, corporations and associations (including eleemosynary institutions, and those U. S. Government corporations and credit agencies which handle their investments themselves rather than through the facilities of the

Treasury Department), dealers and brokers, and State and local governments (including their agencies and their trust, sinking, and investment funds).

<sup>2</sup> For further detail see table 38, p. 676.<sup>3</sup> Includes the Canal Zone, Puerto Rico, and the Virgin Islands.

TABLE 40.—*Sales of securities in the Fifth War Loan, by States and by classes of investors*  
 [In millions of dollars. On basis of reports of sales]

State	Total sales	Sales to individuals, partnerships, and personal trust accounts, classified by securities					Sales to corporations and other investors, classified by investor classes					
		Total	Savings bonds (issue price)			Savings notes and marketable securities	Total	Insurance companies	Savings banks	Corporations and associations <sup>1</sup>	Dealers and brokers	State and local governments <sup>2</sup>
			Series E	Series F and G								
Alabama.....	164	98	40	5	53	65	2	(*)	1	51	(*)	11
Arizona.....	43	21	12	2	7	22	2		2	16		3
Arkansas.....	70	41	20	3	18	28	(*)		(*)	24	(*)	3
California.....	488	186	123	24	39	302	16		18	189	26	51
California (Northern).....	582	224	137	27	59	358	18		(*)	216	18	106
California (Southern).....												
Colorado.....	103	48	24	5	20	55	1			41	(*)	12
Connecticut.....	514	92	57	9	26	422	209		101	97	1	11
Delaware.....	55	17	7	2	9	38	3		1	33	(*)	(*)
District of Columbia.....	152	57	37	5	14	95	9			86	(*)	
Florida.....	250	124	39	8	77	125	4		2	113	(*)	7
Georgia.....	268	174	39	6	128	94	2		6	83	1	2
Iaho.....	32	12	1	1	6	13	(*)		(*)	11		2
Illinois.....	1,470	408	216	42	149	1,062	64		(*)	874	39	64
Indiana.....	367	146	80	15	52	221	32		1	184	(*)	4
Iowa.....	281	150	77	19	54	130	41			84	1	4
Kansas.....	156	88	44	9	35	68	2			63	(*)	3
Kentucky.....	211	117	32	10	75	95	4			80	2	9
Louisiana.....	166	75	33	6	34	91	2			81	(*)	8
Maine.....	77	25	15	3	7	53	2		18	26		6
Maryland.....	422	203	41	9	154	218	26		45	121	10	17
Massachusetts.....	921	175	99	21	55	746	180		257	280	16	13
Michigan.....	678	277	169	19	89	401	12		4	209	1	86
Minnesota.....	350	126	70	13	43	223	13		11	167	8	24
Mississippi.....	99	52	24	5	23	48	2		(*)	32	(*)	13
Missouri.....	448	158	74	18	66	290	25			239	2	5
Montana.....	48	23	15	3	6	25	4			19		2
Nebraska.....	137	65	37	7	21	72	14			48	(*)	9
Nevada.....	14	8	4	1	3	6				4	1	1
New Hampshire.....	61	14	10	2	3	47	5			15		(*)
New Jersey.....	743	216	112	20	85	527	248		30	201	4	45

	24	12	8	1	3	12	(*)	852	2,207	319	4
New Mexico.....	5,934	889	342	78	469	5,044	1,476	852	2,207	319	191
New York.....	235	82	39	6	37	133	14	14	89	3	48
North Carolina.....	46	25	18	3	5	20	11	11	11	(*)	8
North Dakota.....	1,110	354	177	31	146	756	91	15	548	36	64
Ohio.....											
Oklahoma.....	145	75	38	5	32	71	1		55	(*)	14
Oregon.....	188	119	45	5	69	69	1	(*)	52	3	13
Pennsylvania.....	1,251	428	218	43	167	823	74	86	536	12	113
Rhode Island.....	137	46	16	3	27	91	16	29	39	6	6
South Carolina.....	83	34	21	3	9	50	2		35	(*)	12
South Dakota.....	49	23	16	2	5	27	(*)		10		16
Tennessee.....	226	112	38	7	67	114	8	(*)	98	(*)	8
Texas.....	613	317	138	21	157	296	40		211	2	43
Utah.....	58	24	15	1	7	35	1	1	21		12
Vermont.....	32	9	5	1	3	23	5	7	8		2
Virginia.....	220	91	54	8	30	129	14		85	1	29
Washington.....	285	102	66	8	27	183	6	7	105	2	62
West Virginia.....	158	67	25	3	40	91	6		65	1	19
Wisconsin.....	413	119	73	18	29	293	69	1	161	1	60
Wyoming.....	19	9	6	1	2	10			6		4
Alaska.....	4	2	2	(*)	(*)	1			1		(*)
Canal Zone.....	2	2	2	(*)	(*)	(*)	(*)		(*)		
Hawaii.....	32	14	12	1	(*)	18	(*)	(*)	13	(*)	5
Puerto Rico.....	9	5	3	1	1	3			3	(*)	
Virgin Islands.....	(*)	(*)	(*)	(*)		(*)			(*)		
Unallocated.....		-36	-41	5		35			35		
Total sales.....	20,639	6,351	3,036	574	2,741	14,288	2,769	1,525	8,201	533	1,290

NOTE.—Figures are rounded and will not necessarily add to totals.

\* Less than \$500,000.

† Includes eleemosynary institutions and U. S. Government corporations and credit

agencies. These Government corporations and credit agencies handle their investments themselves rather than through the facilities of the Treasury Department.

‡ Includes their agencies and their trust, sinking, and investment funds.

TABLE 41.—Goals and sales of securities in the Fifth War Loan, by States  
[Dollars in millions. On basis of reports of sales]

State	Total			Individuals, partnerships, and personal trust accounts			Corporations and other investors <sup>1</sup>			Series E savings bonds		
	Goal	Sales	Percent of goal accomplished	Goal	Sales <sup>2</sup>	Percent of goal accomplished	Goal	Sales <sup>2</sup>	Percent of goal accomplished	Goal	Sales	Percent of goal accomplished
Alabama.....	\$102	\$164	161	\$55	\$98	179	\$47	\$65	139	\$33	\$40	121
Arizona.....	32	43	134	20	21	106	12	22	12	12	12	101
Arkansas.....	56	70	124	35	41	118	21	28	135	21	20	94
California (Northern).....	453	488	108	224	186	83	229	302	118	118	123	104
California (Southern).....	512	582	114	246	224	91	296	358	135	137	137	100
Colorado.....	84	103	123	45	48	108	39	55	141	23	24	103
Connecticut.....	442	514	116	124	92	74	318	422	133	62	57	91
Delaware.....	54	35	102	19	17	91	35	38	109	8	7	85
District of Columbia.....	107	152	142	61	57	93	46	95	207	34	37	110
Florida.....	137	250	182	74	124	168	63	125	199	37	39	106
Georgia.....	144	268	186	75	174	232	69	94	136	35	39	112
Idaho.....	28	32	113	16	19	117	12	13	108	10	12	116
Illinois.....	1,107	1,470	133	405	468	101	702	1,062	151	204	216	106
Indiana.....	281	367	130	146	148	110	148	149	75	80	75	106
Iowa.....	202	281	139	109	150	138	93	130	140	58	77	133
Kansas.....	124	156	126	74	88	119	50	68	136	49	44	90
Kentucky.....	118	201	179	61	117	191	57	95	166	31	32	105
Louisiana.....	126	106	132	61	75	122	65	91	140	34	35	102
Maine.....	121	77	121	33	25	75	31	53	170	14	15	106
Maryland.....	228	422	185	104	203	196	124	218	176	49	41	83
Massachusetts.....	828	921	111	258	175	68	370	746	131	112	99	88
Michigan.....	526	678	129	276	277	104	250	401	160	169	169	100
Minnesota.....	246	350	142	121	126	104	125	223	179	66	70	106
Mississippi.....	56	99	178	34	52	152	22	48	217	20	24	119
Missouri.....	315	448	142	145	158	109	170	290	170	75	74	98
Montana.....	41	48	118	20	23	117	21	25	118	12	15	124
Nebraska.....	106	137	129	56	65	127	50	72	144	34	37	102
Nevada.....	15	14	93	9	8	86	6	6	105	4	4	102
New Hampshire.....	39	61	156	16	14	89	23	47	203	8	10	119
New Jersey.....	635	743	117	219	216	99	416	527	127	117	112	96

New Mexico.....	21	24	116	11	12	112	10	12	121	6	8	133
New York.....	4,801	5,924	124	1,041	889	85	3,760	5,044	134	367	342	93
North Carolina.....	148	235	159	71	82	116	77	153	199	39	39	100
North Dakota.....	39	46	117	21	25	121	18	20	114	12	18	148
Ohio.....	797	1,110	139	347	354	102	450	756	168	174	177	102
Oklahoma.....	108	145	135	60	75	124	48	71	147	35	38	108
Oregon.....	125	188	150	66	119	180	59	69	117	38	45	117
Pennsylvania.....	1,082	1,251	116	442	428	97	640	823	128	224	218	97
Rhode Island.....	90	137	152	42	46	109	48	91	189	16	16	100
South Carolina.....	58	83	144	30	34	112	28	50	178	18	21	119
South Dakota.....	37	49	133	21	23	108	16	27	166	12	16	130
Tennessee.....	133	226	170	64	112	175	69	114	165	36	38	105
Texas.....	464	613	132	236	317	134	228	296	130	125	138	111
Utah.....	46	58	127	20	24	118	26	35	134	13	15	118
Vermont.....	30	32	107	11	9	86	19	23	119	5	5	102
Virginia.....	157	220	140	81	91	113	76	129	170	46	54	117
Washington.....	298	285	125	105	102	97	123	183	149	64	66	104
West Virginia.....	81	158	195	47	67	143	34	91	267	24	25	104
Wisconsin.....	298	413	138	124	119	96	174	293	168	67	73	109
Wyoming.....	17	19	109	9	9	99	9	10	120	4	6	158
Alaska.....	3	4	128	2	2	118	1	1	149	3	2	113
Canal Zone.....	22	32	145	12	14	117	10	(*)	179	10	12	122
Hawaii.....	7	9	122	6	5	90	1	3	316	4	3	84
Puerto Rico.....					(*)			(*)			(*)	
Virgin Islands.....												
Unallocated.....					-36			35			-41	
Total.....	16,000	20,639	129	6,000	6,351	106	10,000	14,288	143	3,000	3,036	101

NOTE.—Dollars are rounded and will not necessarily add to totals.

\* Less than \$500,000.

<sup>1</sup> Comprises insurance companies, savings banks, corporations and associations (including clemensynary institutions and those U. S. Government corporations and credit agencies which handle their investments themselves rather than through the facilities of the

Treasury Department), dealers and brokers, and State and local governments (including their agencies and their trust, sinking, and investment funds).

<sup>2</sup> For further detail see table 40, p. 680.

<sup>3</sup> Quota for sales of Series E savings bonds in Alaska was \$1.5 millions.

## United States savings bonds

TABLE 42.—Analysis of sales and redemptions of United States savings bonds, by series, by fiscal years 1935 through 1944 and by months for the fiscal year 1944

[On basis of daily Treasury statements, see p. 519]

Period	Sales, <sup>1</sup> including accrued discount					Redemptions at current redemption value				
	Total	Series A-D <sup>2</sup>	Series E	Series F	Series G <sup>3</sup>	Total	Series A-D	Series E	Series F	Series G
By fiscal years:										
1935 (Mar. 1 through June 30)	\$62,567,044	\$62,567,044				\$519,225	\$519,225			
1936	265,239,521	265,239,521				11,162,525	11,162,525			
1937	519,731,009	519,731,009				36,206,922	36,206,922			
1938	504,653,948	504,653,948				66,629,995	66,629,995			
1939	712,476,470	712,476,470				82,000,208	82,000,208			
1940	1,150,810,389	1,150,810,389				114,260,162	114,260,162			
1941	1,557,379,747	893,034,311	\$203,098,145	\$66,693,062	\$394,554,200	148,126,038	147,512,469			\$542,100
1942	6,081,623,309	86,640,477	3,527,751,771	435,147,360	2,032,083,700	132,705,454	132,705,454	60,009,837	2,860,308	11,812,300
1943	11,916,301,878	92,060,951	8,304,400,289	790,384,688	2,759,456,000	848,323,796	88,213,494	688,574,321	17,027,781	54,508,200
1944	15,720,857,894	96,036,814	11,938,108,546	811,075,933	2,875,635,600	2,370,883,253	79,263,799	2,099,928,189	57,656,764	134,034,500
Total Mar. 1, 1935, through June 30, 1944	38,491,641,208	4,383,250,993	23,973,358,701	2,073,301,074	8,061,730,500	3,885,500,023	758,474,253	2,848,534,828	77,593,842	200,897,100
By months:										
1943—July	912,324,273	13,568,936	691,244,821	38,209,517	169,241,000	138,242,921	6,818,564	120,135,732	2,836,425	8,452,200
August	845,346,138	7,618,534	666,825,569	28,408,335	112,433,700	152,044,293	7,078,437	134,018,621	3,526,835	7,420,400
September	1,940,135,415	7,048,814	1,406,258,752	139,415,950	387,411,900	155,278,476	6,780,838	136,708,548	2,702,090	9,027,000
October	1,721,274,861	6,286,997	1,346,892,269	93,518,355	274,877,300	143,712,164	6,215,750	125,075,356	3,306,257	9,114,800
November	1,524,523	5,147,074	672,796,514	24,176,835	109,404,100	170,480,581	6,068,994	149,690,547	5,060,040	9,661,000
December	872,639,023	7,655,808	738,763,941	24,842,274	101,377,660	206,871,919	6,032,060	186,238,351	4,811,608	9,789,900
1944—January	1,726,059,813	13,782,484	1,397,383,584	127,951,345	486,942,400	187,812,875	6,847,560	163,614,862	4,762,452	12,588,000
February	2,798,963,842	7,764,712	2,111,458,506	251,000,251	521,701,700	184,799,462	6,819,297	160,693,860	6,298,005	10,988,300
March	726,654,106	7,189,324	585,500,251	23,617,630	110,346,900	208,082,341	6,504,966	241,404,763	6,642,441	13,501,500
April	645,656,636	6,455,636	619,888,434	20,298,270	113,527,700	237,119,149	6,504,966	212,891,997	6,040,186	12,682,000
May	769,095,574	5,337,774	636,352,791	16,316,609	111,088,400	278,860,976	7,264,024	249,692,815	6,272,737	15,661,400
June	1,866,729,883	8,180,720	1,365,043,176	116,221,888	377,283,900	247,578,096	6,299,672	219,732,736	6,397,688	15,148,000

NOTE.—Figures are rounded to nearest dollar and will not necessarily add to totals.

<sup>1</sup> Revised.<sup>2</sup> Unclassified sales shown in the daily Treasury statement have been classified by series.<sup>3</sup> Not issued after Apr. 30, 1941. Figures after that date represent accrued discount on outstanding bonds and adjustments.<sup>4</sup> Series G is stated at par.

TABLE 43.—Summary of sales and redemptions of United States savings bonds, by series, by fiscal years 1935 through 1944, and by months for the fiscal year 1944

[In millions of dollars. On basis of daily Treasury statements and reports of sales]

Period	Amount out- standing end of fiscal year or month 1	Net change during fiscal year or month	Sales		Accrual of redemption values	Redemptions		
			Total	Sales to in- vestors other than com- mercial banks		Total	Original purchase price 2	Accrued discount 3
By fiscal years:								
1935	62.0	+62.0	62.6	62.6	1.2	0.5	0.5	—
1936	316.1	+254.1	264.0	264.0	7.2	11.2	11.1	0.3
1937	799.6	+483.5	512.6	512.6	17.1	36.2	35.9	1.1
1938	1,237.7	+436.0	487.5	487.5	28.0	66.6	65.6	1.1
1939	1,868.1	+630.5	684.5	684.5	42.1	82.0	80.0	2.0
1940	2,904.7	+1,036.6	1,108.7	1,108.7	65.0	114.3	110.8	3.5
1941	4,314.0	+1,409.3	1,492.4	1,492.4	87.5	148.1	142.8	5.3
1942	10,188.2	+5,874.2	5,994.1	5,994.1	127.6	207.4	200.9	6.5
1943	21,256.2	+11,068.0	11,788.7	11,788.7	223.2	848.3	841.3	7.0
1944	34,606.1	+13,350.0	15,497.7	15,139.5	358.1	2,370.9	2,357.8	13.1
By months:								
1943—July	22,030.2	+774.1	889.7	889.7	22.6	138.2	137.5	.7
August	22,693.5	+663.3	801.7	801.7	13.6	152.0	151.2	.8
September	24,478.4	+1,784.9	1,926.6	1,926.6	13.6	155.3	154.4	.8
October	26,056.0	+1,577.6	1,708.2	1,708.2	13.1	143.7	142.9	.8
November	26,697.0	+641.0	798.1	798.1	13.4	170.5	169.6	.9
December	27,362.8	+665.8	853.0	853.0	19.6	206.9	205.9	1.0
1944—January	28,901.0	+1,538.2	1,698.4	1,505.4	27.7	187.8	186.7	1.1
February	31,915.2	+2,614.2	2,781.5	2,700.9	80.6	184.8	183.7	1.1
March	31,973.8	+458.6	709.1	705.0	17.5	187.7	186.8	1.3
April	32,496.8	+523.0	738.5	737.0	21.6	268.1	266.8	1.3
May	32,967.0	+490.2	730.6	748.4	18.5	237.1	235.8	1.3
June	34,606.1	+1,619.2	1,842.2	1,765.4	24.5	278.9	277.2	1.6
					246.1	247.6	246.1	1.5
Series A-D								
By fiscal years:								
1935	62.0	+62.0	62.6	62.6	1.2	0.5	0.5	—
1936	316.1	+254.1	264.0	264.0	7.2	11.2	11.1	0.3
1937	799.6	+483.5	512.6	512.6	17.1	36.2	35.9	1.1
1938	1,237.7	+436.0	487.5	487.5	28.0	66.6	65.6	1.1

Footnotes at end of table.

TABLE 43.—Summary of sales and redemptions of United States savings bonds, by series, by fiscal years 1935 through 1944, and by months for the fiscal year 1944—Continued  
[In millions of dollars]

Period	Sales					Accrual of redemption values	Redemptions		
	Amount out-standing end of fiscal year or month <sup>1</sup>	Net change during fiscal year or month	Total	Sales to in-vestors other than com-mercial banks	Sales to com-mercial banks		Total	Original purchase price <sup>2</sup>	Accrued discount <sup>3</sup>
Series A-D—Continued									
By fiscal years—Continued.									
1939.....	1,808.1	+630.5	684.5	684.5	( <sup>4</sup> )	28.0	82.0	80.0	2.0
1940.....	2,904.7	+1,036.6	1,108.7	1,108.7	( <sup>4</sup> )	42.1	114.3	110.8	3.5
1941.....	3,650.2	+745.5	828.0	828.0		65.0	147.5	142.2	5.3
1942.....	3,604.2	-46.1	.8	.8		85.9	132.7	126.2	6.5
1943.....	3,608.0	+3.8	.1	.1		92.0	88.2	81.8	6.4
1944.....	3,624.8	+16.8	.1	.1		96.0	79.3	71.7	7.5
By months:									
1943—July.....	3,614.8	+6.8				13.6	6.8	6.2	.6
August.....	3,615.3	+5	( <sup>5</sup> )	( <sup>5</sup> )		7.6	7.1	6.5	.6
September.....	3,615.6	+3	( <sup>5</sup> )	( <sup>5</sup> )		7.0	6.8	6.2	.6
October.....	3,615.6	+1	( <sup>5</sup> )	( <sup>5</sup> )		6.3	6.2	5.7	.6
November.....	3,614.7	-9	( <sup>5</sup> )	( <sup>5</sup> )		5.1	6.1	5.5	.6
December.....	3,616.3	+1.6	( <sup>5</sup> )	( <sup>5</sup> )		7.7	6.0	5.5	.6
1944—January.....	3,623.3	+6.9	( <sup>5</sup> )	( <sup>5</sup> )		13.8	6.8	6.2	.6
February.....	3,624.2	+9	( <sup>5</sup> )	( <sup>5</sup> )		7.8	6.8	6.1	.7
March.....	3,624.9	+7	( <sup>5</sup> )	( <sup>5</sup> )		7.2	6.5	5.9	.7
April.....	3,624.8	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )		6.5	6.5	5.8	.7
May.....	3,622.9	+1.9	( <sup>5</sup> )	( <sup>5</sup> )		5.3	7.3	6.5	.8
June.....	3,624.8	+1.9	( <sup>5</sup> )	( <sup>5</sup> )		8.2	6.3	5.6	.7
Series E									
By fiscal years:									
1941.....	203.1	+203.1	203.1	203.1		1.5	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )
1942.....	3,670.8	+3,467.7	3,526.3	3,526.3		33.1	688.6	688.0	0.6
1943.....	11,286.6	+7,615.8	8,271.3	8,271.3		118.4	2,099.9	2,094.7	5.2
1944.....	21,124.8	+9,838.2	11,819.7	11,819.7					
By months:									
1943—July.....	11,857.8	+571.1	682.9	682.9		8.4	120.1	120.0	.2
August.....	12,390.6	+532.8	661.2	661.2		5.6	134.0	133.8	.2
September.....	13,090.0	+1,269.5	1,400.2	1,400.2		3.1	136.8	136.5	.2
October.....	14,881.6	+1,221.5	1,340.1	1,340.1		6.4	125.1	124.8	.2
November.....	15,404.7	+523.1	665.3	665.3		7.5	149.7	149.4	.3
December.....	15,957.2	+552.5	727.6	727.6		11.2	186.2	185.9	.4
1944—January.....	16,891.0	+933.8	1,084.6	1,084.6		12.7	163.6	163.2	.4
February.....	18,841.7	+1,950.8	2,102.3	2,102.3		9.1	160.7	160.3	.4
March.....	19,185.8	+344.1	575.8	575.8		9.7	241.4	240.8	.6
April.....	19,592.8	+407.0	605.7	605.7		14.2	212.9	212.2	.6



Series F									
By fiscal years:	19, 979.5	+396.7	624.3	624.3	12.1	249.7	248.8		
1941	66.6	+66.6	66.7	66.7	0.2	2.9	2.9	(*)	
1942	498.9	+432.3	494.9	494.9	2.5	17.0	17.0	(*)	
1943	1,242.3	+743.4	757.9	757.9	8.8	57.7	57.4	(*)	
1944	1,995.7	+753.4	802.2	691.2	111.0				.3
By months:									
1943—July	1,277.7	+35.4	37.6	37.6		2.8	2.8	(*)	
August	1,302.7	+24.9	28.1	28.1		3.5	3.5	(*)	
September	1,439.4	+136.7	139.0	139.0		2.7	2.7	(*)	
October	1,529.6	+90.2	93.1	93.1		3.3	3.3	(*)	
November	1,548.7	+19.1	23.4	23.4		5.1	5.0	(*)	
December	1,568.7	+20.0	24.1	24.1		4.8	4.8	(*)	
1944—January	1,691.9	+123.2	126.8	68.7	58.1	4.8	4.7	(*)	
February	1,843.7	+151.7	157.4	132.7	24.7	6.3	6.3	(*)	
March	1,860.6	+17.0	22.9	21.7	1.3	6.6	6.6	(*)	
April	1,875.8	+15.2	19.1	19.1	2.7	5.0	5.0	(*)	
May	1,885.9	+10.0	15.3	14.6	2.2	6.3	6.2	(*)	
June	1,995.7	+109.8	115.1	89.1	26.0	6.4	6.4	(*)	

Series G

Series G									
By fiscal years:	394.0	+394.0	394.6	394.6		0.5	0.5		
1941	2,414.3	+2,020.3	2,032.1	2,032.1		11.8	11.8		
1942	5,119.2	+2,704.9	2,759.5	2,759.5		54.5	54.5		
1943	7,860.8	+2,741.6	2,875.6	2,628.5	247.1	134.0	134.0		
By months:									
1943—July	5,280.0	+160.8	169.2	169.2		8.5	8.5		
August	5,385.0	+105.0	112.4	112.4		7.4	7.4		
September	5,703.4	+378.4	387.4	387.4		9.0	9.0		
October	6,029.2	+265.8	274.9	274.9		9.1	9.1		
November	6,128.9	+99.7	109.4	109.4		9.7	9.7		
December	6,220.5	+91.6	101.4	101.4		9.8	9.8		
1944—January	6,694.9	+474.4	486.9	352.0	134.9	12.6	12.6		
February	7,205.6	+510.7	521.7	465.9	55.8	11.0	11.0		
March	7,302.4	+96.8	110.3	107.6	2.8	13.5	13.5		
April	7,403.3	+100.8	113.7	112.2	1.3	12.7	12.7		
May	7,498.7	+95.4	111.1	109.6	1.5	15.7	15.7		
June	7,860.8	+362.1	377.3	326.5	50.7	15.1	15.1		

NOTE.—Figures are rounded and will not necessarily add to totals. Details by months beginning May 1935 will be found in the annual report for 1943, p. 604.

\* Less than \$50,000.

† At current redemption values except Series G, which is stated at par. Unclassified sales shown in the daily Treasury statement have been classified by series.

‡ Estimated.

§ Figures represent increment in value.

|| From Mar. 1, 1935, through Mar. 31, 1940, commercial banks were permitted to purchase savings bonds on the same terms as other investors. It is estimated that such purchases aggregated about \$300 millions from March 1935 through March 1940.

¶ Beginning Jan. 1, 1944, commercial banks were permitted to purchase limited amounts of Series F and G bonds for investment of savings deposits. For details as to limitations, see pp. 44 and 47.



By months:											
1943—July	37.6	3	1.3	2.3	12.1	9.0	12.7	100.0	.7	3.4	6.2
August	28.1	.2	1.1	2.0	9.8	6.5	8.5	100.0	.7	2.7	7.2
September	139.0	.6	3.7	7.5	46.2	36.2	44.8	100.0	.4	3.9	5.3
October	93.1	.8	3.9	6.4	30.7	19.5	31.7	100.0	.9	4.2	7.8
November	23.4	.3	1.3	1.8	8.7	4.9	6.5	100.0	1.3	3.3	7.5
December	24.1	.3	1.3	1.8	8.5	5.0	7.2	100.0	1.4	3.2	7.5
1944—January	126.8	.4	2.0	3.3	17.8	17.7	85.6	100.0	.3	1.6	2.6
February	157.4	1.1	4.7	7.1	33.6	28.3	82.5	100.0	.7	3.0	4.5
March	22.9	.3	1.1	1.5	6.6	4.5	8.9	100.0	1.5	3.0	4.5
April	19.3	.2	.9	1.2	6.1	3.9	6.9	100.0	1.4	4.6	6.2
May	15.3	.2	.8	1.0	4.7	3.0	5.5	100.0	1.6	5.3	6.8
June	113.1	.7	2.8	4.9	28.5	24.2	54.1	100.0	.6	2.5	4.2

By fiscal years:											
1941	394.6	4.8	50.9	11.2	82.4	71.8	224.3	100.0	1.2	2.8	56.9
1942	2,032.1	—	81.5	113.0	578.1	406.2	883.8	100.0	2.5	5.6	43.5
1943	2,759.5	—	108.8	188.7	805.7	526.3	1,157.3	100.0	3.0	6.9	41.9
1944	2,875.6	—	—	249.6	942.3	520.7	1,054.2	100.0	3.8	8.7	36.6

By months:											
1943—July	169.2	5.6	17.3	14.8	62.9	36.3	49.6	100.0	3.3	8.7	29.3
August	112.4	4.6	17.3	10.5	42.5	23.5	31.3	100.0	4.1	9.3	27.9
September	387.4	17.3	15.0	38.7	149.9	85.8	95.6	100.0	4.5	10.0	24.7
October	274.9	15.0	4.7	30.3	107.4	54.0	68.2	100.0	5.5	11.0	24.8
November	109.4	4.7	11.1	11.1	44.3	20.9	28.4	100.0	4.3	10.1	26.0
December	101.4	4.8	10.0	10.0	40.0	19.7	26.9	100.0	4.7	9.9	26.5
1944—January	486.9	11.0	19.5	28.0	99.8	62.8	285.4	100.0	2.3	5.7	58.6
February	521.7	19.5	4.0	42.5	144.6	82.7	232.4	100.0	3.7	8.2	58.6
March	110.3	4.0	4.0	10.3	38.3	20.9	37.6	100.0	3.6	8.6	44.6
April	113.5	4.0	4.0	10.3	41.5	21.8	36.0	100.0	3.5	9.1	34.1
May	111.1	4.0	4.0	10.0	42.7	21.9	32.5	100.0	3.6	9.0	31.7
June	377.3	14.4	14.4	33.8	128.4	70.4	130.2	100.0	3.8	9.0	29.3

NOTE.—Dollar figures are rounded and will not necessarily add to totals. Details by months beginning May 1941 will be found in the 1943 annual report, p. 611.

TABLE 45.—Sales of United States savings bonds of Series E and Series F and G, by States, by calendar years and fiscal years from 1941, and by months for the fiscal year 1944

## PART A. SERIES E

[In thousands of dollars at issue price. On basis of reports of sales with totals adjusted to basis of daily Treasury statements]

Period	Total	Adjustment to daily Treasury statement	Total reported sales	Alabama	Arizona	Arkansas	California	Colorado	Connecticut	Delaware	District of Columbia	Florida	Georgia	Idaho
<b>By calendar years:</b>														
1941.....	1,144,660	-70,067	1,214,727	8,741	3,648	6,593	80,429	9,749	25,025	2,561	13,310	12,688	12,339	3,358
1942.....	5,988,849	+99,307	5,889,542	58,407	17,006	26,957	439,147	41,732	133,859	16,139	56,756	62,820	62,759	18,262
1943.....	10,344,370	+103,863	10,240,507	116,171	36,379	64,730	838,910	80,213	191,427	24,359	116,038	119,137	123,381	34,214
<b>By fiscal years:</b>														
1941.....	203,098	(*)	203,098	1,381	711	940	9,920	1,793	3,913	469	2,592	2,487	1,642	485
1942.....	3,526,276	-15,047	3,541,323	28,996	10,313	21,404	290,592	24,845	77,543	7,629	34,827	30,565	35,642	9,840
1943.....	8,271,275	+90,737	8,180,538	91,272	27,846	52,764	638,877	62,132	168,258	21,824	83,113	89,496	94,524	27,845
1944.....	11,819,742	+225,856	11,593,886	139,180	42,252	74,176	970,414	90,226	220,926	27,609	135,069	142,082	145,933	40,230
<b>By months:</b>														
1943—July.....	682,871	-26,141	709,012	7,728	2,450	3,131	62,525	4,911	12,941	1,524	9,609	8,702	7,670	1,749
August.....	681,200	+3,495	684,695	6,395	2,174	3,547	61,392	4,136	12,105	1,596	8,856	8,268	7,534	1,497
September.....	1,400,159	+147,952	1,252,208	15,600	5,100	9,800	88,400	11,300	21,500	3,500	10,400	13,000	14,900	4,500
October.....	1,340,148	-114,474	1,454,622	17,171	5,234	8,817	123,724	12,427	26,153	3,155	17,113	18,361	18,849	6,296
November.....	685,293	+23,555	611,738	7,449	2,032	3,675	53,025	5,025	13,300	1,503	11,019	6,699	6,699	1,643
December.....	727,557	+22,998	704,560	7,331	2,012	3,903	56,909	5,121	14,557	1,802	8,516	8,067	9,051	1,979
1944—January.....	1,084,637	+78,546	1,006,091	11,648	3,822	8,405	86,635	7,698	19,502	2,739	11,419	11,237	11,850	3,979
February.....	2,102,345	-95,133	2,197,478	30,369	8,746	14,017	182,940	17,400	41,593	4,295	23,059	29,446	29,947	8,957
March.....	573,774	+29,064	544,679	3,699	2,075	2,879	43,979	3,804	10,020	1,574	5,483	8,127	6,952	1,124
April.....	605,769	+14,052	591,657	7,111	2,098	3,037	53,636	3,914	12,405	1,583	7,694	7,856	7,880	1,411
May.....	624,253	+49,004	605,249	8,107	2,096	3,718	53,933	4,357	13,097	1,391	7,871	8,326	8,403	1,935
June.....	1,340,794	+122,879	1,228,915	14,343	4,353	8,947	96,211	10,011	23,139	3,177	13,391	14,392	14,232	5,139

Period	Illinois	Indiana	Iowa	Kansas	Kentucky	Louisiana	Maine	Maryland	Massachusetts	Michigan	Minnesota	Mississippi	Missouri	Montana
<b>By calendar years:</b>														
1941.....	95,208	23,554	17,133	11,777	11,010	11,668	6,196	17,595	48,728	49,706	22,213	7,090	39,011	6,755
1942.....	450,118	144,386	128,447	65,503	58,755	64,221	28,297	77,626	223,340	304,417	121,772	37,845	139,368	27,711
1943.....	675,834	275,654	221,542	137,894	113,948	124,083	47,313	136,547	339,001	625,269	225,558	68,294	250,513	48,054
<b>By fiscal years:</b>														
1941.....	14,737	3,044	2,743	1,579	1,835	1,824	1,083	2,745	9,110	8,108	3,024	901	7,483	771
1942.....	282,055	76,661	69,558	35,310	34,263	36,800	17,746	49,009	141,217	160,150	71,181	22,973	94,800	17,710
1943.....	575,056	213,813	176,508	106,190	87,607	94,910	37,361	108,604	280,091	481,637	179,108	52,870	195,868	39,432
1944.....	755,362	313,594	263,445	163,077	127,956	141,106	54,994	152,566	390,986	688,159	249,962	82,588	283,681	55,230
<b>By months:</b>														
1943—July.....	47,266	19,879	13,964	7,435	7,282	7,847	2,672	9,186	23,653	39,446	12,222	3,272	15,139	2,189
August.....	43,125	18,653	12,402	7,602	7,279	7,732	2,710	8,332	23,346	37,538	10,657	3,249	14,112	1,884
September.....	77,800	34,900	35,900	20,506	15,000	18,800	5,500	16,200	35,800	75,100	39,000	14,100	35,100	9,200
October.....	84,908	33,066	33,031	21,497	16,501	17,408	8,325	17,427	32,616	96,003	29,615	9,158	34,336	7,090
November.....	48,479	18,793	10,370	7,447	3,854	7,269	3,595	9,015	23,467	40,469	12,095	3,153	15,536	2,046
December.....	50,733	21,585	12,427	7,017	8,000	7,351	2,814	11,240	21,771	40,940	12,041	3,571	16,319	2,169
1944—January.....	52,791	21,884	18,508	14,457	10,321	12,087	4,761	13,575	33,929	52,215	28,755	9,381	26,617	6,505
February.....	150,461	58,253	63,579	36,095	26,856	25,213	11,530	25,983	76,548	131,400	43,513	18,751	52,048	10,567
March.....	40,050	15,538	9,538	7,257	5,089	6,896	2,545	7,289	15,692	33,961	10,170	2,807	12,043	1,689
April.....	43,782	19,292	9,773	6,646	6,532	7,657	2,418	8,634	20,881	33,122	9,592	3,087	12,334	2,121
May.....	42,340	19,661	8,877	7,202	6,885	8,014	3,029	9,045	23,246	33,829	10,039	3,137	14,751	1,912
June.....	76,625	29,519	34,856	19,625	12,297	14,200	5,095	16,630	38,237	74,137	32,193	8,941	35,145	7,830

TABLE 45.—Sales of United States savings bonds of Series E and Series F and G, by States, by calendar years and fiscal years from 1941, and by months for the fiscal year 1944—Continued

## PART A. SERIES E—Continued

[In thousand of dollars at issue price]

Period	Nebraska	Nevada	New Hampshire	New Jersey	New Mexico	New York	North Carolina	North Dakota	Ohio	Oklahoma	Oregon	Pennsylvania	Rhode Island	South Carolina
By calendar years:														
1941	7,956	1,381	3,572	61,199	2,302	224,026	13,248	3,594	64,481	12,888	14,318	98,079	7,704	5,857
1942	45,714	8,037	20,374	238,953	11,683	846,833	81,402	21,644	340,556	55,949	67,955	464,405	42,336	36,762
1943	103,476	12,522	29,961	366,712	22,968	1,146,219	133,143	46,919	645,225	111,369	144,203	767,387	58,571	66,948
By fiscal years:														
1941	1,384	149	595	9,904	243	44,582	1,492	475	10,886	2,302	3,154	14,443	1,478	874
1942	26,045	4,340	11,790	100,538	6,978	587,249	42,297	11,394	190,262	34,482	37,394	283,782	24,293	18,782
1943	72,211	11,466	25,787	303,807	17,284	991,988	113,869	34,349	506,364	82,143	107,674	626,051	53,748	53,401
1944	128,079	13,468	32,722	415,338	27,990	1,290,035	149,443	58,224	714,177	135,264	159,752	857,400	60,858	76,058
By months:														
1943—July	5,832	783	1,960	26,549	1,350	80,838	8,166	1,947	43,641	6,439	9,983	51,730	3,763	4,554
August	5,728	576	2,211	23,246	1,273	69,363	7,913	1,542	43,564	6,385	9,239	50,266	3,760	4,536
September	13,300	1,800	2,800	40,300	3,500	135,100	18,200	8,300	72,900	15,000	15,600	92,400	6,200	8,800
October	22,315	1,495	3,018	49,899	3,523	158,407	18,751	9,325	85,682	18,575	24,804	102,520	8,164	10,170
November	3,630	639	2,012	24,314	1,346	65,537	8,138	2,656	44,309	6,608	9,283	52,523	3,506	4,231
December	5,251	639	1,764	24,307	1,465	84,014	8,968	2,170	52,654	7,672	9,286	56,156	3,696	4,217
1944—January	10,870	1,408	2,656	34,571	2,565	121,785	14,325	6,665	60,766	12,867	14,481	76,495	5,499	6,621
February	28,807	2,994	7,195	75,393	6,044	242,271	30,398	11,317	116,942	28,788	23,055	147,646	11,198	14,417
March	4,706	567	1,025	21,497	1,225	68,902	5,526	1,461	39,378	5,402	6,806	43,018	2,264	2,899
April	5,345	563	1,440	23,426	1,300	67,927	7,157	1,434	39,912	5,395	7,643	44,805	2,400	3,763
May	4,747	627	1,623	23,752	1,092	67,337	7,281	1,408	43,338	5,987	6,940	46,402	3,554	3,938
June	16,098	1,323	3,017	44,085	3,327	127,955	14,021	7,970	71,091	15,551	16,571	91,438	5,790	7,912

Period	South Dakota	Tennessee	Texas	Utah	Vermont	Virginia	Washington	West Virginia	Wisconsin	Wyoming	Alaska	Canal Zone	Hawaii	Puerto Rico	Virgin Islands	Other possessions	Unallocated <sup>1</sup>
By calendar years:																	
1941	3,402	11,655	48,167	3,149	2,590	18,237	19,198	9,136	26,229	2,517	441		2,165	504	14	10	---
1942	20,423	68,830	205,479	18,645	11,516	101,214	108,430	46,083	127,940	11,684	6,206	1,130	47,620	3,277	147	4	11,964
1943	45,905	127,103	410,346	49,339	16,987	173,692	220,160	79,707	218,351	21,580	7,065	7,092	55,565	5,894	320	(*)	111,281
By fiscal years:																	
1941	449	1,707	8,717	474	486	2,319	3,778	1,187	4,607	339	5		220				---
1942	11,783	36,734	126,056	9,919	7,550	56,272	57,962	27,642	77,668	7,066	2,959	315	15,837	1,726	91	14	1,472
1943	33,171	100,530	306,265	33,242	14,175	145,459	163,924	64,583	179,650	17,313	7,397	4,338	61,066	5,422	203	(*)	63,624
1944	33,813	147,286	494,995	36,357	18,819	183,563	257,729	92,197	248,280	23,769	6,900	7,135	58,310	8,431	958	69	58,495
By months:																	
1943—July	2,231	7,689	25,653	3,136	1,100	11,186	15,782	5,374	14,847	1,408	557	623	4,000	296	18	---	32,907
August	1,713	7,821	22,334	3,572	1,634	12,126	15,483	3,494	11,890	1,132	526	488	3,735	383	19	---	24,773
September	9,200	16,600	65,200	5,500	2,000	17,600	22,400	9,100	28,500	2,100	300	787	3,738	546	37	---	---
October	7,212	21,149	59,784	8,574	2,844	23,557	36,041	10,065	35,524	3,914	942	522	3,916	669	67	---	221
November	2,008	7,365	23,792	3,194	1,040	11,090	15,333	5,234	13,085	1,181	284	498	4,862	322	36	---	187
December	1,962	7,991	26,190	3,522	802	13,534	17,085	6,308	13,748	1,329	541	651	5,946	312	10	---	61
1944—January	7,184	13,782	39,487	4,835	1,641	17,862	23,860	8,760	18,870	1,779	393	766	4,800	465	79	7	26
February	10,099	26,586	105,358	11,042	4,021	36,471	45,193	16,958	51,125	5,805	1,541	592	6,462	1,746	39	38	135
March	1,589	8,944	20,696	1,604	645	7,118	11,280	4,409	10,129	878	157	538	4,006	2,435	598	4	43
April	1,625	7,533	22,255	2,655	766	9,828	13,894	4,989	11,089	941	317	528	4,940	409	29	6	42
May	1,604	7,982	20,791	2,516	918	10,264	13,799	5,977	10,768	1,049	333	485	4,795	445	10	2	23
June	7,386	13,852	63,455	6,207	1,947	18,927	27,579	9,580	28,704	2,254	869	657	5,050	903	15	11	77

Footnotes at end of table.

TABLE 45.—Sales of United States savings bonds of Series E and Series F and G, by States, by calendar years and fiscal years from 1911, and by months for the fiscal year 1944—Continued

## PART B. SERIES F AND G COMBINED—SALES TO INVESTORS OTHER THAN COMMERCIAL BANKS :

[In thousands of dollars at issue price]

Period	Total	Adjustment to daily Treasury statement	Total reported sales	Alabama	Arizona	Arkansas	California	Colorado	Connecticut	Delaware	District of Columbia	Florida	Georgia	Idaho
By calendar years:														
1941.....	1,392,549	-113,002	1,505,551	6,570	2,376	3,517	77,568	9,900	39,370	7,137	15,086	11,524	9,233	1,895
1942.....	3,168,109	+72,440	3,095,669	24,567	5,918	18,505	173,136	25,347	70,302	13,476	27,432	30,539	28,838	8,802
1943.....	3,385,032	+28,620	3,356,412	30,880	9,437	17,567	256,646	30,206	72,837	11,042	32,350	37,964	40,639	8,421
By fiscal years:														
1941.....	461,247	-65,114	526,361	2,393	950	1,024	20,402	3,908	14,937	2,524	5,166	3,379	2,878	291
1942.....	2,407,031	+2,259	2,404,772	13,099	4,232	13,738	110,602	18,302	59,594	11,910	23,247	22,219	17,982	7,339
1943.....	3,517,354	+20,381	3,496,973	32,007	8,421	16,578	224,145	29,746	81,128	12,326	33,757	36,705	37,831	8,031
1944.....	3,319,747	+24,381	3,295,366	30,156	9,450	17,831	258,108	30,678	64,437	10,306	29,761	40,496	41,958	7,630
By months:														
1943—July.....	205,820	+9,414	197,405	1,539	532	1,082	19,915	1,488	2,575	1,063	1,595	2,792	3,170	349
August.....	140,529	+4,621	135,908	912	405	542	16,099	977	4,012	1,410	1,041	1,594	1,518	224
September.....	526,396	-12,267	538,663	6,700	1,800	4,409	40,200	6,100	7,100	1,400	5,300	5,800	6,700	1,300
October.....	308,001	+34,638	342,639	3,607	772	1,398	24,964	2,914	7,034	1,020	2,326	4,222	4,390	1,011
November.....	132,853	-701	133,554	666	249	443	11,765	979	3,367	581	1,021	1,701	2,325	292
December.....	125,459	+9,100	116,359	1,035	370	385	9,257	1,039	2,462	422	1,415	1,615	1,916	282
1944—January.....	420,728	-14,255	434,983	3,369	755	2,434	33,408	3,709	11,411	1,245	4,681	3,580	3,509	1,012
February.....	598,570	+18,300	580,270	5,829	1,928	2,442	43,548	5,406	11,494	1,660	5,028	8,317	8,723	1,301
March.....	129,230	-2,123	131,353	887	423	600	9,808	1,276	2,459	401	1,108	1,868	1,230	194
April.....	131,339	+308	131,647	826	437	694	8,897	1,274	2,215	443	886	2,068	1,506	304
May.....	124,177	+4,145	120,032	846	282	471	8,823	1,231	2,600	456	1,083	1,580	1,427	178
June.....	415,645	-12,526	428,171	3,851	1,497	2,940	31,374	4,286	7,706	1,205	4,276	5,359	5,544	1,183



Period	Illinois	Indiana	Iowa	Kansas	Kentucky	Louisiana	Maine	Maryland	Massachusetts	Michigan	Minnesota	Mississippi	Missouri	Montana
<b>By calendar years:</b>														
1941.....	143,001	21,713	13,944	7,832	13,859	7,475	10,355	21,679	97,732	41,659	30,994	3,540	53,776	3,134
1942.....	241,703	65,074	49,134	23,905	34,402	37,467	18,904	50,537	164,492	84,537	57,696	16,847	76,171	8,382
1943.....	249,369	80,898	96,725	38,341	43,237	42,717	19,639	51,795	147,142	108,790	69,677	22,573	82,643	11,495
<b>By fiscal years:</b>														
1941.....	59,605	6,285	4,498	2,459	4,356	2,477	3,974	6,800	35,087	13,928	9,770	973	23,952	612
1942.....	202,041	45,123	30,676	14,486	24,516	21,651	16,570	40,093	144,199	63,040	49,069	10,061	68,651	6,322
1943.....	272,112	79,524	71,432	34,897	43,755	44,461	20,215	54,252	174,999	106,363	69,692	21,812	84,266	10,520
1944.....	236,291	82,311	106,397	44,903	47,442	38,952	20,591	52,493	147,625	104,765	69,836	22,296	91,039	13,550
<b>By months:</b>														
1943—July.....	15,256	6,129	5,031	2,290	2,880	2,533	592	3,025	4,575	5,110	3,699	1,093	5,480	433
August.....	10,068	3,379	3,360	1,076	1,941	1,330	950	1,940	6,622	4,290	1,847	515	3,615	177
September.....	30,700	11,700	13,800	7,100	7,900	9,600	2,100	8,900	14,400	20,800	12,400	5,900	13,400	3,100
October.....	28,524	9,593	26,443	4,794	2,969	3,140	2,470	3,626	16,357	11,792	7,306	1,399	6,941	1,147
November.....	10,535	4,311	3,002	1,596	2,352	1,431	1,099	2,612	7,554	4,300	2,286	660	3,539	391
December.....	5,232	1,641	1,560	1,380	2,829	1,064	897	2,762	5,573	3,362	2,297	546	2,746	299
1944—January.....	23,797	8,766	10,030	5,286	8,117	4,129	4,369	7,325	31,252	11,217	10,550	3,304	12,896	2,108
February.....	47,407	14,013	15,471	8,370	6,557	6,210	3,706	8,378	25,356	20,249	11,952	3,625	13,144	2,112
March.....	13,542	3,740	5,341	1,818	1,697	1,268	617	2,325	5,198	1,781	2,234	541	4,970	356
April.....	10,605	4,680	4,290	2,307	2,416	1,322	785	1,828	7,503	3,454	2,720	532	5,008	482
May.....	10,752	4,112	3,615	1,572	1,896	1,184	624	2,738	7,288	4,332	2,663	380	4,083	274
June.....	27,872	10,246	14,284	7,314	7,888	5,739	2,353	7,021	17,857	14,080	9,912	3,800	15,806	2,671

Footnotes at end of table.

TABLE 45.—Sales of United States savings bonds of Series E and Series F and G, by States, by calendar years and fiscal years from 1941, and by months for the fiscal year 1944—Continued

PART B. SERIES F AND G COMBINED—SALES TO INVESTORS OTHER THAN COMMERCIAL BANKS—continued

[In thousands of dollars at issue price]

Period	Nebraska	Nevada	New Hampshire	New Jersey	New Mexico	New York	North Carolina	North Dakota	Ohio	Oklahoma	Oregon	Pennsylvania	Rhode Island	South Carolina
By calendar years:														
1941.....	7,577	930	5,140	56,358	1,350	389,387	9,574	2,284	70,057	8,493	10,689	153,242	17,833	4,765
1942.....	21,160	3,547	14,256	116,546	11,412	652,367	39,283	10,969	164,419	21,941	31,377	287,168	28,997	15,589
1943.....	35,333	4,325	12,843	109,509	6,900	514,244	43,705	12,185	200,651	26,810	29,290	267,265	26,227	22,556
By fiscal years:														
1941.....	3,523	354	1,896	20,400	415	141,842	2,338	962	22,466	2,325	2,522	49,547	5,924	1,621
1942.....	14,132	2,349	11,060	93,399	9,034	580,433	26,074	7,515	119,098	16,587	22,095	243,285	28,064	9,459
1943.....	30,414	4,441	14,403	118,791	7,025	627,986	44,654	10,937	203,827	25,095	32,892	297,430	30,424	21,712
1944.....	39,339	3,630	14,563	106,839	6,503	472,310	42,263	14,978	194,155	26,042	29,326	251,120	20,628	21,938
By months:														
1943—July.....	2,439	184	475	6,423	592	28,753	2,651	494	13,100	1,718	1,589	17,123	800	1,359
August.....	1,120	228	779	4,817	360	18,971	1,526	511	8,166	880	1,554	10,335	1,362	696
September.....	6,100	900	900	16,800	1,200	75,000	9,000	2,400	34,300	5,100	6,000	46,300	2,300	4,200
October.....	4,357	198	1,710	12,662	774	48,354	3,093	1,575	16,802	3,264	2,723	23,184	2,450	2,105
November.....	1,058	69	359	5,099	158	16,735	1,693	645	8,935	821	955	10,233	1,078	1,034
December.....	4,928	80	426	4,053	104	17,924	1,532	427	8,432	1,423	1,026	10,240	1,656	1,724
1944—January.....	4,179	518	3,111	12,607	548	68,129	6,030	1,926	28,030	3,193	4,173	31,108	3,036	3,046
February.....	8,177	750	3,509	19,326	1,267	96,018	5,911	2,754	26,711	3,772	4,302	43,976	3,337	3,298
March.....	2,153	190	524	4,173	119	19,585	1,580	477	8,565	884	1,005	7,893	1,476	900
April.....	1,965	45	311	3,891	173	17,629	1,739	537	9,957	611	1,259	9,680	1,012	571
May.....	1,623	56	327	3,693	151	13,960	1,603	341	8,816	804	811	8,200	804	571
June.....	5,241	411	1,768	13,295	919	51,251	5,885	2,890	22,341	3,623	3,929	32,850	2,318	3,064

Period	South Dakota	Tennessee	Texas	Utah	Vermont	Virginia	Washington	West Virginia	Wisconsin	Wyoming	Alaska	Canal Zone	Hawaii	Puerto Rico	Virgin Islands	Other possessions	Unallocated
By calendar years:																	
1941.....	1,104	9,154	29,438	2,123	2,923	16,215	16,570	5,816	24,876	1,485	147	230	1,781	137	5	239	760
1942.....	6,293	30,257	84,069	6,889	7,129	40,066	36,009	16,292	62,075	5,351	1,123	715	13,178	1,367	21	301	8,760
1943.....	12,119	40,197	114,982	8,691	7,507	53,904	55,763	18,027	92,118	5,831	1,408	2,396	13,813	3,288	155	73	1,286
By fiscal years:																	
1941.....	194	3,128	10,323	1,000	1,011	4,532	6,268	1,492	8,491	501	20	95	47	3	---	34	461
1942.....	3,077	18,481	54,196	5,019	5,842	28,014	25,898	11,780	42,205	3,690	736	504	5,882	472	26	507	4,768
1943.....	10,416	39,140	110,993	7,474	7,504	53,701	49,753	17,905	86,336	6,010	1,297	1,843	17,367	3,010	1	28	5,181
1944.....	13,222	39,186	117,537	8,393	8,026	51,399	56,253	19,552	93,192	6,032	1,316	1,825	10,522	3,982	418	214	657
By months:																	
1943—July.....	607	2,770	6,133	644	309	3,140	3,154	1,284	5,492	315	65	135	1,050	342	---	---	38
August.....	302	1,541	3,436	448	520	1,925	2,201	698	3,492	198	84	44	569	197	---	---	13
September.....	2,400	7,300	26,500	1,900	500	11,100	11,000	3,300	14,000	800	100	263	100	(2)	1	---	300
October.....	1,693	3,860	10,104	651	1,191	6,119	6,017	1,638	11,947	716	163	154	2,790	180	31	---	---
November.....	514	1,586	2,850	280	409	2,297	1,831	1,985	3,492	291	72	55	301	406	---	---	---
December.....	314	1,894	3,955	287	273	2,957	2,130	1,054	3,614	145	141	246	666	164	122	44	18
1944—January.....	1,350	4,745	13,201	1,277	1,368	7,200	7,269	2,203	9,524	569	195	324	1,157	474	99	70	13
February.....	2,271	6,048	23,242	1,632	1,645	7,588	9,324	2,668	16,799	1,457	112	99	2,084	447	10	100	10
March.....	529	1,352	3,489	198	255	1,297	2,065	866	3,625	416	181	154	83	1,464	---	---	37
April.....	533	1,604	2,696	317	220	1,648	2,126	960	3,809	306	56	41	548	---	150	---	70
May.....	523	1,510	2,374	127	307	1,937	1,698	1,142	3,407	155	19	33	502	133	5	---	11
June.....	2,186	5,068	19,557	1,231	1,029	7,221	7,347	2,749	13,301	663	129	275	673	140	---	---	119

NOTE.—Figures are rounded and will not necessarily add to totals. Details by months beginning May 1941 will be found in the 1943 annual report, p. 614.

\* Less than \$500.

† Unallocated amounts prior to September 1943 included chiefly sales to the armed forces. Beginning in September 1943 these sales were allocated on a State basis.

‡ For total monthly sales to commercial banks, see p. 687.

§ Not available; included in unallocated.

TABLE 46.—*Extent of participation in payroll savings plan for purchase of United States savings bonds, by fiscal years 1942 through 1944 and by months for the fiscal year 1944*

[Estimated on basis of reports from companies and governmental units]

End of fiscal year or month	Number of persons participating	Aggregate amount deducted	Percent of participants' pay deducted
By fiscal years:	<i>In millions</i>	<i>In millions</i>	<i>Percent</i>
1942.....	16.0	\$544	5.2
1943.....	26.8	4,067	8.3
1944.....	27.6	5,546	9.6
By months (1944):			
July.....	26.6	420	9.1
August.....	26.4	413	9.0
September.....	26.4	435	9.4
October.....	26.4	455	9.3
November.....	26.6	440	9.2
December.....	26.8	470	9.5
January.....	27.1	475	9.8
February.....	27.3	465	9.6
March.....	27.5	498	9.8
April.....	27.3	475	9.7
May.....	27.2	460	9.5
June.....	27.6	540	10.6

## United States war savings stamps

TABLE 47.—Summary of sales and redemptions of United States war savings stamps, by fiscal years 1941 through 1944, and by months for the fiscal year 1944<sup>1</sup>

[Dollars in thousands. On basis of daily Treasury statements and reports of Post Office Department]

Period	Amount outstanding, end of fiscal year or month	Net change during fiscal year or month	Sales	Redemptions			Percentage distribution of redemptions		
				Total	Exchanged for United States savings bonds (estimated)	Cash (estimated)	Total	Exchanged for United States savings bonds (estimated)	Cash (estimated)
By fiscal years:									
1941.....	\$5,294	+\$5,113	\$6,087	\$943	( <sup>2</sup> )	( <sup>2</sup> )	100.0	( <sup>2</sup> )	( <sup>2</sup> )
1942 (July 1941.....)	166,341	+161,048	308,621	147,574	\$127,948	3,818,468	100.0	87.4	3 12.6
1942 (Aug. 1941-June 1942.....)	213,350	+45,620	8 590,268	544,647	474,168	3 70,480	100.0	87.1	3 12.9
1943.....	196,518	-16,832	408,939	425,762	352,632	73,130	100.0	82.8	17.2
By months:									
1943—July.....	207,275	-6,075	39,770	36,845	31,371	5,474	100.0	85.1	14.9
August.....	204,168	-3,117	29,313	32,430	27,427	5,004	100.0	84.6	15.4
September.....	201,455	-2,705	28,000	31,306	27,098	4,207	100.0	86.6	13.4
October.....	197,942	-3,511	33,462	38,973	32,771	6,202	100.0	84.1	15.9
November.....	202,415	+4,473	39,365	35,091	28,543	6,548	100.0	81.3	18.7
December.....	203,064	+649	43,585	42,937	33,896	9,040	100.0	78.9	21.1
1944—January.....	204,906	+1,842	37,451	35,610	30,027	5,582	100.0	84.3	15.7
February.....	200,577	-4,329	34,993	39,322	33,625	5,698	100.0	85.5	14.5
March.....	195,821	-4,755	40,029	44,784	35,784	9,000	100.0	79.9	20.1
April.....	196,404	+582	35,717	35,134	28,261	6,873	100.0	80.4	19.6
May.....	198,407	+2,003	30,748	28,745	23,055	5,690	100.0	80.2	19.8
June.....	196,518	-1,889	22,696	24,584	20,774	3,811	100.0	84.5	15.5

NOTE.—Dollar figures are rounded and will not necessarily add to totals. Details by months beginning May 1941 will be found in the 1913 annual report in the tables on pp. 631 and 633.

<sup>1</sup> Sales and redemptions of stamps commenced May 1, 1941, when the special defense series of postal savings stamps went on sale; the amount of old series outstanding on Apr. 30, 1941, was \$150 thousands. Both series were obligations of the Postal Savings System. Beginning Oct. 1, 1942, the special series of postal savings stamps was replaced by a Treasury issue of United States war savings stamps, and all outstanding stamps became public debt obligations. The change to the daily Treasury statement basis was made in November 1942.

<sup>2</sup> Details not available for May, June, and July 1941.

<sup>3</sup> Includes minor amounts which were exchanged for postal savings certificates. These aggregated \$123 thousands for the period Aug. 1, 1941, through June 30, 1942, and \$55 thousands for the period July 1, 1942, through Oct. 31, 1942.

<sup>4</sup> Net of sales less redemptions. See note 1.

<sup>5</sup> Excludes amounts transferred from the Postal Savings System to the Treasury to cover outstanding stamps.

TABLE 48.—Sales of United States war savings stamps, by denominations, by fiscal years 1941 through 1944, and by months for the fiscal year 1944<sup>1</sup>

[On basis of daily Treasury statements and data from Post Office Department]

Period	Sales in thousands of dollars					Total all denominations	Percentage distribution of sales						
	Denomination						Total all denominations	Denomination					
	10¢	25¢	50¢	\$1.00	\$5.00			10¢	25¢	50¢	\$1.00	\$5.00	
By fiscal years:													
1941	400	2,691	1,012	1,130	854	100.0	6.6	44.2	16.6	18.6	14.0		
1942	67,466	167,709	28,614	31,583	13,250	100.0	21.9	54.3	9.3	10.2	4.3		
1943	126,327	313,691	52,508	71,693	26,048	100.0	21.4	53.1	8.9	12.2	4.4		
1944	102,534	209,121	32,611	46,972	17,691	100.0	25.1	51.1	8.0	11.5	4.3		
By months:													
1943—July	5,462	15,783	2,990	4,425	2,110	100.0	17.7	51.3	9.7	14.4	6.9		
August	5,409	15,361	2,803	4,190	1,550	100.0	18.4	52.4	9.6	14.3	5.3		
September	6,564	15,053	2,410	3,382	1,192	100.0	23.0	52.6	8.4	11.8	4.2		
October	9,106	17,494	2,556	3,599	2,708	100.0	25.7	49.3	7.2	10.2	7.6		
November	10,443	20,330	2,987	4,446	1,359	100.0	26.4	51.4	7.6	11.2	3.4		
December	11,235	22,129	3,187	5,038	1,997	100.0	25.8	50.8	7.3	11.5	4.6		
1944—January	11,150	19,072	2,541	3,485	1,203	100.0	29.8	50.9	6.8	9.3	3.2		
February	10,511	17,799	2,363	3,371	950	100.0	30.0	50.9	6.8	9.6	2.7		
March	11,174	20,227	3,132	4,167	1,330	100.0	27.9	50.6	7.8	10.4	3.3		
April	9,458	18,187	2,768	4,120	1,183	100.0	26.5	50.9	7.8	11.5	3.3		
May	7,588	15,878	2,437	3,724	1,122	100.0	24.7	51.6	7.9	12.1	3.7		
June	4,436	11,808	2,438	3,027	987	100.0	19.6	52.0	10.7	13.3	4.4		

NOTE.—Dollar figures are rounded and will not necessarily add to totals. Details by months beginning May 1943 will be found in the 1943 annual report, p. 632.

<sup>1</sup> Revised.<sup>2</sup> See footnote 1, p. 699.

TABLE 49.—Sales of United States war savings stamps, by States, by calendar years and fiscal years from 1941, and by months for the fiscal year 1944<sup>1</sup>

[In thousands of dollars. On basis of reports of Post Office Department with totals adjusted to basis of daily Treasury statements]

Period	Total	Adjust- ment to daily Treasury statement	Total reported sales	Alabama	Arizona	Arkansas	California	Colorado	Connect- icut	Delaware	District of Columbia	Florida	Georgia	Idaho
By calendar years:														
1941.....	57,167.8	.....	57,167.8	399.0	148.4	249.2	3,960.7	409.8	1,525.7	136.2	2,122.5	712.2	620.3	163.4
1942.....	538,721.3	-18,991.9	558,713.2	4,187.4	1,592.4	3,028.1	37,337.7	3,730.3	14,376.8	1,280.1	7,143.0	6,083.4	5,572.5	1,415.5
1943.....	515,383.0	+34,391.3	480,991.7	3,754.8	1,500.4	2,319.2	33,375.6	3,435.3	11,176.3	1,108.2	4,431.5	5,526.6	4,661.7	1,140.3
By fiscal years:														
1941.....	6,086.9	.....	6,086.9	38.7	16.0	24.8	428.0	30.3	140.6	14.5	174.2	75.0	60.3	8.1
1942.....	308,621.3	.....	308,621.3	2,343.7	834.8	1,674.7	20,182.6	2,020.3	7,707.4	714.2	6,100.1	3,705.9	3,175.5	841.0
1943.....	590,267.5	+15,906.6	574,361.0	4,215.1	1,765.8	2,970.7	39,726.1	4,083.1	14,375.6	1,298.6	5,591.7	6,188.3	5,621.2	1,405.5
1944.....	408,930.2	+3,710.9	405,219.3	3,542.8	1,271.3	1,767.4	27,776.1	2,832.1	9,683.2	995.2	3,556.1	4,479.1	4,067.5	933.9
By months:														
1943—July.....	30,770.2	-1,916.4	32,686.6	288.2	93.9	198.6	2,190.5	219.3	743.8	67.8	293.1	403.2	327.2	64.2
August.....	29,313.1	+1,866.9	27,446.2	240.3	81.4	125.0	1,849.9	184.1	571.4	57.6	268.3	338.9	259.4	58.7
September.....	28,600.5	-12,038.6	40,639.1	326.5	143.9	171.0	2,638.1	334.9	950.3	110.6	368.2	490.5	366.2	90.1
October.....	35,462.4	-1,394.6	36,856.9	333.0	103.1	162.5	2,578.9	239.1	906.6	93.7	288.0	395.0	374.6	85.5
November.....	39,564.7	+5,970.7	33,594.0	271.1	93.8	152.2	2,284.9	216.0	816.3	79.9	264.9	336.7	318.0	75.6
December.....	43,585.4	+7,004.8	36,580.6	284.8	108.4	147.2	2,825.2	248.4	866.7	87.5	348.5	338.6	352.2	90.6
1944—January.....	37,451.5	-5,046.6	42,498.1	384.5	131.6	195.4	2,958.7	346.8	1,062.0	108.3	362.3	438.8	458.2	118.9
February.....	34,992.7	+5,338.5	40,331.2	443.8	149.4	174.3	2,490.3	293.5	953.2	104.0	359.5	463.7	442.7	110.3
March.....	40,029.0	+6,162.1	33,866.9	315.8	99.9	131.2	2,305.0	203.8	781.8	91.9	251.6	365.4	358.8	76.8
April.....	35,716.6	+8,254.3	27,462.3	241.3	83.5	118.7	1,843.2	189.3	663.8	63.6	214.0	295.0	283.1	60.0
May.....	30,748.4	+3,746.7	27,001.7	219.3	78.9	95.0	1,932.3	184.5	663.9	67.7	224.7	273.1	273.8	49.7
June.....	22,636.8	-3,559.9	26,255.7	191.3	83.5	96.4	1,890.2	172.5	701.4	62.5	303.0	298.2	253.3	53.7

<sup>1</sup> See note 1, p. 699.

TABLE 49.—*Sales of United States war savings stamps, by States, by calendar years and fiscal years from 1941, and by months for the fiscal year 1944*<sup>1</sup>—Continued

[In thousands of dollars]

Period	Illinois	Indiana	Iowa	Kansas	Kentucky	Louisiana	Maine	Maryland	Massachusetts	Michigan	Minnesota	Mississippi	Missouri	Montana
By calendar years:														
1941.....	4,101.6	1,069.1	585.1	424.7	538.5	542.8	321.5	998.7	2,804.9	2,865.4	661.2	320.9	1,548.1	190.6
1942.....	41,322.9	14,028.5	8,906.6	4,826.6	5,393.9	6,053.9	3,278.5	9,587.1	25,923.1	24,889.8	7,401.6	2,987.0	13,268.6	1,867.0
1943.....	32,300.4	11,740.2	8,638.3	5,032.1	4,979.9	5,234.3	3,072.7	8,115.6	23,200.5	21,677.9	7,101.9	2,290.3	12,356.7	1,535.3
By fiscal years:														
1941.....	355.1	69.7	50.0	40.2	42.8	62.0	37.2	91.6	312.2	366.8	51.6	36.7	173.5	17.2
1942.....	23,612.9	7,516.9	4,575.8	2,532.9	3,036.2	3,428.0	1,725.5	5,785.2	14,413.6	13,721.6	4,037.7	1,508.8	7,326.4	1,030.7
1943.....	39,970.3	14,176.4	9,010.3	5,576.8	5,427.6	6,114.6	3,619.4	9,211.3	27,025.9	26,161.1	7,961.5	3,082.6	14,223.5	1,874.0
1944.....	27,031.6	9,984.3	7,070.2	4,108.2	4,892.6	4,185.4	2,579.0	7,142.2	19,921.6	18,132.8	6,257.0	1,864.4	10,527.9	1,267.0
By months:														
1943—July.....	2,357.5	767.7	1,339.2	549.3	340.7	356.0	196.6	499.6	1,380.0	1,237.7	507.0	156.1	772.3	127.8
August.....	1,760.3	656.3	712.9	207.7	326.9	403.7	180.6	475.4	1,280.1	1,223.9	443.0	139.5	718.5	94.3
September.....	2,638.0	978.8	730.7	362.2	450.0	426.2	243.6	737.0	2,034.9	1,809.7	614.6	202.4	1,097.3	132.4
October.....	2,435.2	913.8	578.8	365.4	401.2	362.4	228.3	662.3	1,940.1	1,722.4	534.9	169.5	1,006.6	97.9
November.....	2,178.3	841.8	524.0	310.9	420.9	339.1	207.7	596.5	1,695.6	1,503.5	483.2	146.2	910.2	94.6
December.....	2,417.3	916.4	608.6	338.0	466.0	339.1	224.8	642.6	1,846.1	1,686.3	531.2	156.5	945.1	124.1
1944—January.....	2,721.9	1,041.9	713.9	487.8	532.6	440.2	267.5	776.0	2,077.4	2,070.6	770.1	205.8	1,086.2	148.5
February.....	2,684.9	1,037.0	694.7	438.1	457.8	365.6	271.3	729.7	1,853.4	1,786.7	708.0	203.8	1,020.2	131.4
March.....	2,276.9	876.5	536.7	351.6	488.0	332.1	217.7	580.9	1,668.6	1,523.5	501.5	147.0	893.8	92.0
April.....	1,832.4	702.2	457.9	290.4	353.1	265.9	168.3	491.4	1,328.0	1,320.1	420.6	120.5	759.2	87.7
May.....	1,824.2	653.3	402.5	253.3	289.0	250.3	175.1	475.3	1,388.8	1,238.0	414.3	109.1	688.9	71.7
June.....	1,884.7	598.7	370.6	213.2	286.5	304.7	155.3	465.5	1,428.6	1,010.2	328.5	108.0	629.6	64.7



Period	Nebraska	Nevada	New Hampshire	New Jersey	New Mexico	New York	North Carolina	North Dakota	Ohio	Oklahoma	Oregon	Pennsylvania	Rhode Island	South Carolina
By calendar years:														
1941.....	374.3	64.5	243.1	2,491.2	144.2	10,052.8	521.9	102.3	2,771.4	501.0	514.3	4,582.8	623.7	410.1
1942.....	4,451.6	702.6	2,182.9	23,157.7	1,241.8	120,212.8	6,139.5	1,509.0	32,831.6	4,200.4	4,915.7	48,273.5	5,439.2	2,233.1
1943.....	3,671.1	528.2	1,860.0	19,541.9	1,026.6	81,624.2	5,761.3	1,331.6	27,574.9	3,800.5	4,784.5	42,064.5	4,008.1	1,952.0
By fiscal years:														
1941.....	36.2	6.5	29.0	285.0	9.9	1,350.5	50.8	10.4	293.7	44.9	59.1	419.5	58.8	30.3
1942.....	2,371.8	381.4	1,150.8	13,313.7	720.3	53,060.7	3,089.7	801.2	18,269.5	2,489.1	2,739.3	27,075.3	3,087.6	1,488.2
1943.....	4,531.1	678.4	2,276.3	23,206.8	1,252.8	106,793.2	6,794.6	1,558.8	32,949.4	4,442.0	5,323.4	49,408.2	5,172.3	2,297.8
1944.....	2,910.9	435.7	1,619.4	17,027.6	877.4	69,443.7	4,672.3	1,116.2	22,750.4	3,086.6	3,864.2	37,056.1	3,320.1	1,694.3
By months:														
1943—July.....	281.1	45.5	118.0	1,152.5	59.6	5,410.7	454.5	101.2	1,846.8	250.0	432.7	2,609.3	251.9	142.4
August.....	214.3	35.6	110.1	1,032.8	53.4	4,863.0	346.2	85.3	1,521.3	223.3	292.9	2,384.0	250.7	115.7
September.....	314.8	37.9	174.6	1,650.6	77.1	7,170.4	486.9	86.1	2,271.3	323.9	364.6	3,797.8	342.2	177.6
October.....	259.0	37.0	156.6	1,578.6	86.3	6,147.2	434.8	85.5	2,043.9	251.9	314.8	3,593.5	320.7	154.1
November.....	214.4	29.5	126.4	1,460.7	73.0	5,836.2	356.7	98.4	1,929.2	273.2	303.5	3,139.8	297.1	132.2
December.....	274.3	48.4	143.7	1,509.2	80.2	6,257.9	498.6	106.9	2,052.6	262.6	354.3	3,257.5	310.7	147.0
1944—January.....	312.9	48.4	179.0	1,797.4	104.1	6,426.7	495.9	138.2	2,451.5	344.3	421.8	4,015.5	337.1	159.7
February.....	284.8	50.0	173.5	1,787.9	101.1	6,426.7	519.5	123.6	2,231.4	377.0	398.6	3,806.1	291.8	179.9
March.....	234.7	33.2	127.4	1,481.5	79.5	5,785.3	390.7	87.3	1,949.9	243.8	365.1	3,249.4	274.9	128.4
April.....	187.8	27.3	100.6	1,132.6	63.8	4,678.7	287.5	73.8	1,686.7	202.3	290.6	2,556.2	209.3	98.7
May.....	168.8	25.3	105.9	1,236.6	49.7	4,950.0	297.4	67.2	1,532.2	171.7	211.5	2,515.2	218.7	100.0
June.....	166.0	25.6	103.4	1,297.2	49.6	5,424.9	253.6	53.8	1,233.6	161.5	233.8	2,358.8	235.9	98.7

1 See note 1, p. 690.

TABLE 49.—Sales of United States war savings stamps, by States, by calendar years and fiscal years from 1941, and by months for the fiscal year 1944<sup>1</sup>—Continued

[In thousands of dollars]

Period	South Dakota	Tennessee	Texas	Utah	Vermont	Virginia	Washington	West Virginia	Wisconsin	Wyoming	Alaska	Hawaii	Puerto Rico	Other possessions
By calendar years:														
1941	100.1	600.9	2,309.4	138.1	126.4	721.3	791.3	363.6	796.1	94.6	5.6	246.3	54.5	1.3
1942	1,525.6	5,590.8	19,986.9	2,057.9	1,299.2	7,064.6	7,276.7	4,213.1	11,250.5	905.3	147.0	2,093.6	254.0	4.3
1943	1,331.1	4,510.4	16,772.6	2,009.8	1,133.4	7,087.7	6,949.9	3,361.1	11,368.8	874.3	184.7	2,132.9	387.7	25.1
By fiscal years:														
1941	10.4	58.8	276.5	11.6	14.7	71.6	75.0	32.4	104.7	9.7	1.2	6.9	10.2	.6
1942	832.2	2,932.8	11,520.8	963.4	705.8	4,051.8	3,909.2	2,449.7	5,728.3	493.6	66.1	1,298.7	166.8	.7
1943	1,546.1	5,685.8	20,141.6	2,436.2	1,340.0	7,313.1	8,124.7	1,014.2	12,535.0	1,018.8	190.2	2,339.3	329.0	12.5
1944	1,102.8	3,835.1	13,672.4	1,614.1	961.6	6,049.0	5,528.5	2,872.6	9,929.9	689.2	154.7	1,930.7	459.8	25.1
By months:														
1943—July	102.2	309.5	1,177.9	128.0	82.7	629.2	451.4	225.3	764.8	70.0	11.4	40.9	28.7	1.2
August	82.6	265.0	1,027.8	108.7	78.0	364.3	359.6	186.7	629.8	42.0	9.7	68.0	27.6	1.0
September	109.3	415.5	1,378.4	155.9	98.0	593.2	569.4	266.0	990.4	67.7	13.0	190.4	34.1	1.3
October	103.5	374.2	1,229.2	136.1	88.7	645.5	530.4	260.0	932.2	56.1	16.1	208.1	41.8	10.3
November	85.7	314.0	1,108.8	114.1	68.0	706.2	454.8	233.3	825.3	56.1	12.3	181.6	30.2	2.2
December	94.8	326.3	1,208.0	151.8	83.0	496.7	543.4	270.1	904.8	60.2	15.3	198.8	27.8	1.0
1944—January	133.0	420.4	1,347.6	227.3	99.1	561.8	602.5	327.2	1,098.4	83.2	15.8	230.5	28.0	1.2
February	121.5	410.7	1,393.5	205.8	99.8	536.2	579.5	332.4	1,020.3	85.4	19.1	260.0	60.0	3.2
March	86.5	321.2	1,148.9	119.4	73.7	418.1	436.3	256.8	875.5	57.7	13.1	164.6	63.4	1.6
April	73.0	242.4	945.2	93.8	62.0	328.9	378.4	195.5	715.2	40.4	11.1	140.2	41.0	.9
May	62.2	211.4	849.5	84.2	54.9	364.6	359.0	167.2	691.3	36.6	9.2	161.5	37.6	.5
June	48.6	224.4	857.7	89.1	73.7	404.3	263.9	152.0	481.9	33.9	6.6	88.0	39.6	.8

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> See note 1, p. 699.



TABLE 51.—Summary of sales and redemptions of Treasury notes, tax series and savings series, by series, by fiscal years 1942 through 1944, and by months for the fiscal year 1944<sup>1</sup>

[Par values in millions of dollars. On basis of daily Treasury statement, see p. 519]

Period	Amount out- standing end of fiscal year or month <sup>2</sup>	Net change during fiscal year or month	Sales	Redemptions and exchanges		
				Total	Received in payment of taxes	Redeemed for cash
All series						
By fiscal years:						
1942.....	3,014.5	+3,014.5	4,138.9	1,124.4	1,103.7	20.7
1943.....	7,495.4	+4,480.9	8,758.5	4,277.6	4,094.4	114.9
1944.....	9,582.0	+2,086.5	8,953.7	6,867.2	6,365.1	502.1
By months:						
1943—July.....	7,677.9	+182.5	414.0	231.5	214.4	17.1
August.....	7,764.3	+86.4	213.5	127.1	99.2	27.9
September.....	8,876.4	+1,112.1	2,260.0	1,147.9	1,111.9	36.0
October.....	9,132.9	+256.4	460.7	204.2	181.6	22.6
November.....	9,301.9	+169.0	330.2	161.2	121.9	39.3
December.....	8,569.3	-702.6	436.8	1,139.5	1,068.3	71.2
1944—January.....	9,502.9	+903.7	1,216.1	312.5	275.4	37.1
February.....	10,329.4	+826.5	1,017.1	190.6	144.7	45.9
March.....	9,169.7	-1,159.6	238.1	1,397.8	1,344.9	52.9
April.....	9,136.2	-33.6	290.7	333.3	293.8	39.5
May.....	9,087.6	-48.6	145.1	193.7	155.1	38.6
June.....	9,582.0	+494.4	1,922.3	1,427.9	1,354.0	73.9
Series A						
By fiscal years:						
1942.....	54.8	+54.8	72.2	17.4	16.6	.8
1943.....	266.7	+211.9	334.7	122.8	114.0	8.7
1944.....	112.1	-154.6	(*)	154.6	136.1	18.6
By months:						
1943—July.....	251.2	-15.5	(*)	15.5	13.3	2.2
August.....	247.6	-3.7		3.7	1.7	2.0
September.....	207.3	-40.2		40.2	37.2	3.0
October.....	200.2	-7.2		7.2	6.2	1.0
November.....	198.3	-1.9		1.9	1.1	.8
December.....	168.7	-29.6		29.6	27.8	1.8
1944—January.....	100.2	-8.5		8.5	6.8	1.7
February.....	156.7	-3.5		3.5	2.2	1.3
March.....	137.2	-19.5		19.5	17.9	1.6
April.....	125.2	-12.0		12.0	11.0	1.0
May.....	122.1	-3.1		3.1	2.4	.7
June.....	112.1	-10.0		10.0	8.4	1.6

Series B					
By fiscal years:					
1942.....	2,959.7	+2,959.7	4,066.7	1,107.0	1,087.1
1943.....	764.8	-2,195.0	877.1	3,072.1	2,933.3
1944.....	22.1	-742.6		742.6	721.2
By months:					
1943—July.....	711.0	-53.7		53.7	52.7
August.....	687.9	-23.2		23.2	20.9
September.....	348.6	-339.3		339.3	336.3
October.....	321.4	-27.2		27.2	25.6
November.....	306.6	-14.8		14.8	14.0
December.....	128.6	-178.0		178.0	171.6
1944—January.....	100.7	-18.9		18.9	14.3
February.....	101.3	-8.4		8.4	9.6
March.....	48.1	-53.2		53.2	51.5
April.....	39.7	-8.1		8.1	7.9
May.....	34.1	-5.6		5.6	5.4
June.....	22.1	-12.0		12.0	11.3
Series C					
By fiscal years:					
1943.....	6,464.0	+6,464.0	7,546.7	1,082.7	1,047.2
1944.....	9,447.7	+2,983.8	8,953.7	5,969.9	5,507.9
By months:					
1943—July.....	6,715.7	+251.7	414.0	162.3	148.4
August.....	6,828.9	+113.2	213.5	100.2	76.6
September.....	8,320.5	+1,491.6	2,290.0	768.4	738.4
October.....	8,611.3	+290.8	460.7	169.9	149.9
November.....	8,797.0	+185.8	330.2	144.4	106.7
December.....	8,302.0	-495.0	436.8	931.8	868.9
1944—January.....	9,233.0	+931.0	1,216.1	285.1	254.3
February.....	10,071.4	+838.4	1,017.1	178.7	132.9
March.....	8,984.5	-1,086.9	228.1	1,325.0	1,273.5
April.....	8,971.3	-33.2	299.7	312.9	274.9
May.....	8,931.4	-38.9	143.1	183.0	147.3
June.....	9,447.7	+516.4	1,922.3	1,405.9	1,334.2
					35.6
					462.0
					13.9
					23.7
					30.0
					20.0
					37.7
					62.9
					30.9
					45.8
					49.6
					38.1
					37.7
					71.7

NOTE.—Figures are rounded and will not necessarily add to totals. Details by months beginning August 1941 will be found in the 1943 annual report, p. 640.

\* Less than \$50,000.

† All series originally issued as "Treasury notes-tax series." However, designation of Series C changed to "Treasury savings notes, Series C," on June 23, 1943. For a description of all series, see p. 613.

‡ Includes matured notes.

TABLE 52.—*Sales of Treasury savings notes of Series C, by denominations, by fiscal years 1943 and 1944, and by months for the fiscal year 1944*  
 [On basis of daily Treasury statements and reports of sales]

Period	Sales in millions of dollars at par						Percentage distribution of sales					
	Denomination						Denomination					
	Total all denominations	\$100 <sup>1</sup>	\$500 <sup>1</sup>	\$1,000	\$5,000	\$10,000	\$100,000	\$500,000	\$1,000,000	\$5,000	\$10,000	Total all denominations
By fiscal years:												
1943.....	7,546.7	.....	.....	249.0	332.1	1,388.6	2,535.7	1,124.4	1,916.9	.....	.....	100.0
1944.....	8,953.7	10.5	24.2	398.5	507.6	1,858.5	3,086.9	1,259.3	1,808.0	.....	.....	100.0
By months:												
1943—July.....	414.0	.....	.....	12.4	15.3	72.5	144.1	73.7	96.0	.....	.....	100.0
August.....	213.5	.....	.....	8.1	9.4	43.6	82.6	24.8	45.0	.....	.....	100.0
September.....	2,260.0	.....	.....	119.8	133.4	490.4	754.8	327.7	433.9	.....	.....	100.0
October.....	400.7	.....	.....	34.5	33.2	109.2	141.9	63.1	78.8	.....	.....	100.0
November.....	330.2	.....	.....	8.6	12.9	60.7	113.3	48.9	85.8	.....	.....	100.0
December.....	436.8	.....	.....	11.4	16.2	72.9	153.3	86.9	95.7	.....	.....	100.0
1944—January.....	1,216.1	( <sup>1</sup> )	.4	6.1	33.5	255.4	420.8	100.5	244.4	.....	.....	100.0
February.....	1,017.1	2.4	8.1	61.0	82.9	258.3	366.2	108.8	128.5	.....	.....	100.0
March.....	238.1	.5	.9	7.4	10.5	46.7	81.4	43.3	84.5	.....	.....	100.0
April.....	299.7	.3	.6	6.3	9.9	45.3	95.3	57.5	39.3	.....	.....	100.0
May.....	145.1	.3	.4	4.4	7.1	26.7	50.8	16.1	39.3	.....	.....	100.0
June.....	1,922.3	3.8	7.7	71.1	103.8	376.8	682.4	248.0	428.7	.....	.....	100.0

NOTE.—Dollar figures are rounded and will not necessarily add to totals. Details by months beginning August 1941, including information on sales of Series A and B tax savings notes, will be found in the annual report for 1943, p. 643.

<sup>1</sup> Less than \$50,000 or less than 0.05 percent.

<sup>2</sup> Denominations of \$100 and \$500 were first offered in November 1943.

TABLE 53.—Sales of Treasury savings notes of Series C, by type of purchasers, by fiscal years 1943 and 1944, and by months for the fiscal year 1944

[On basis of daily Treasury statements and reports of sales]

Period	Sales in millions of dollars at par			Percentage distribution of sales		
	Total	Type of purchaser		Total	Type of purchaser	
		Individuals, partnerships, and fiduciaries	Corporations		Individuals, partnerships, and fiduciaries	Corporations
By fiscal years:						
1943.....	7,546.7	611.3	6,935.4	100.0	8.1	91.9
1944.....	8,953.7	654.9	8,298.7	100.0	7.3	92.7
By months:						
1943—July.....	414.0	21.5	392.5	100.0	5.2	94.8
August.....	213.5	15.4	198.1	100.0	7.2	92.8
September.....	2,280.0	166.9	2,013.1	100.0	7.4	92.6
October.....	400.7	51.1	349.6	100.0	11.1	88.9
November.....	330.2	16.2	314.0	100.0	4.9	95.1
December.....	436.8	20.5	416.3	100.0	4.7	95.3
1944—January.....	1,216.1	108.2	1,107.9	100.0	8.9	91.1
February.....	1,017.1	75.3	941.8	100.0	7.4	92.6
March.....	238.1	21.2	216.9	100.0	8.9	91.1
April.....	209.7	19.2	190.5	100.0	6.4	93.6
May.....	143.1	12.5	130.6	100.0	8.6	91.4
June.....	1,922.3	126.9	1,795.4	100.0	6.6	93.4

NOTE.—Dollar figures are rounded and will not necessarily add to totals. Details by months beginning August 1941, including information on sales of Series A and B tax savings notes, will be found in the annual report for 1943, p. 645.

## Interest on the public debt

TABLE 54.—*Interest on the public debt, payable, paid, and outstanding unpaid, fiscal year 1944*

[On basis of Public Debt accounts, see p. 519]

Issue	Outstanding unpaid June 30, 1943	Due and payable during 1944	Payments during 1944	Outstanding unpaid June 30, 1944
Conversion bonds, etc.	\$438,419.99	\$2,360,882.11	\$2,483,287.49	\$316,014.61
Postal savings bonds	173,973.20	2,931,426.75	2,913,729.75	191,670.20
Liberty bonds and Victory notes	5,602,266.84	6.63	162,360.12	5,439,913.35
Treasury bonds	38,117,574.82	1,546,979,086.12	1,542,122,772.53	42,973,888.41
Treasury notes	28,868,652.01	390,071,525.33	357,143,487.94	61,796,689.40
Certificates of indebtedness	1,561,187.41	261,022,705.04	260,942,336.03	1,641,556.42
Treasury (war) savings securities <sup>1</sup>	3,218,715.00		33,200.00	3,185,515.00
Treasury bills <sup>1</sup>		51,201,300.61	51,201,300.61	
United States savings bonds, Series A through F <sup>1</sup>		223,189,953.71	223,189,953.71	
United States savings bonds, Series G	624,514.48	140,072,333.80	139,472,860.56	1,223,987.72
Adjusted service bonds	46,864,762.56	29,406,078.50	23,888,737.58	52,382,103.48
Depository bonds	16,544.22	6,558,349.42	6,563,245.69	11,647.95
Total	125,486,610.53	2,653,793,648.02	2,610,117,272.01	169,162,986.54

<sup>1</sup> Amounts represent discount treated as interest.TABLE 55.—*Interest paid on the public debt, by issues, fiscal years 1942 through 1944<sup>1</sup>*

[On basis of Public Debt accounts, see p. 519]

Issues	Rate of interest	1942	1943	1944
Debt unmatured as of June 30 in the respective years:	Percent			
Panama Canal loan of 1961	3	\$1,495,254.00	\$1,365,660.75	\$1,620,018.75
Conversion bonds of 1946-47	3	861,066.00	868,122.75	863,068.50
Postal savings bonds	2½	2,928,153.00	2,905,178.50	2,913,729.75
Treasury bonds:				
1947-52	4¼	32,190,636.42	32,032,105.43	32,232,485.84
1944-54	4	41,497,110.00	41,263,838.00	41,934,156.00
1946-56	3¾	18,314,225.90	18,275,905.90	18,291,452.53
1943-47	3¾	15,397,562.49		
1946-49	3½	25,594,252.37	25,389,150.85	25,765,890.41
1951-55	3	22,607,507.25	22,489,338.25	22,655,906.50
1943-45	3¼	45,423,665.05	45,417,769.17	
1944-46	3¼	49,299,304.73	49,224,953.94	
1946-48	3	31,119,288.00	30,979,703.25	31,195,254.75
1949-52	3½	15,287,097.54	15,320,985.94	15,423,178.95
1955-60	2½	74,866,073.18	74,810,663.31	74,967,307.46
1945-47	2¾	33,395,413.94	33,337,457.37	33,349,720.46
1948-51	2¾	33,614,295.62	33,657,250.53	33,644,566.43
1951-54	2¾	44,712,551.67	44,695,016.17	44,851,420.07
1956-59	2¾	26,987,076.80	26,982,391.12	26,993,894.74
1949-53	2½	44,730,558.91	44,439,985.32	44,762,778.44
1945	2½	13,448,836.42	13,507,598.23	13,591,422.02
1948	2½	11,269,538.87	11,276,909.17	11,264,718.25
1958-63	2¾	25,279,281.62	25,139,905.09	25,322,994.39
1950-52	2½	29,607,299.73	29,655,551.37	29,628,175.70
1960-65	2¾	40,838,891.32	40,589,081.33	40,885,292.35
1947	2	13,960,226.00	14,038,842.50	14,101,862.50
1948-50 (dated Dec. 8, 1939)	2	11,227,843.24	11,443,115.31	11,631,017.32
1948-50 (dated Mar. 15, 1941)	2	22,360,097.00	22,203,987.00	22,303,883.00
1949-51 (dated Jan. 15, 1942)	2	8,146,957.40	20,358,443.26	20,411,659.75
1949-51 (dated May 15, 1942)	2	<sup>2</sup> 211.46	21,486,544.75	25,742,336.13
1949-51 (dated July 15, 1942)	2		37,462,418.14	42,302,115.51
1952-54 (dated June 26, 1944)	2			<sup>2</sup> 19,320.21
1951-55	2	5,030,032.23	10,074,687.50	10,270,224.50
1951-53	2¼	25,074,333.60	25,233,527.91	25,212,762.58
1954-56	2¼	15,324,458.99	15,256,947.41	15,400,376.31
1951-53	2			72,352,359.51
1953-55	2	14,502,413.15	14,500,482.89	14,561,825.27
1952-54	2½	24,419,594.96	25,566,781.02	25,602,645.06
1956-58	2½	28,337,742.04	36,193,888.72	36,234,457.97
1956-59	2¼			<sup>3</sup> 1,084,406.97
1967-72	2½	22,456,590.68	67,750,165.26	67,859,513.62
1963-68	2½		34,558,527.70	71,037,279.60
1964-69 (dated Apr. 15, 1943)	2½		13,575,666.13	91,027,876.84
1964-69 (dated Sept. 15, 1943)	2½			66,223,673.46

Footnotes at end of table.



TABLE 55.—Interest paid on the public debt, by issues, fiscal years 1942 through 1944<sup>1</sup>—Continued

Issues	Rate of interest	1942	1943	1944
Debt unmatured as of June 30 in the respective years—Continued.				
Treasury bonds—Continued.	Percent			
1952-55.....	2¼	\$9,954,902.59	\$33,553,907.55	\$33,884,159.90
1962-67.....	2½		50,679,559.98	53,169,159.42
1950-52 (dated Oct. 19, 1942).....	2		15,865,275.32	39,236,651.26
1965-70.....	2½			<sup>3</sup> 661,620.98
1950-52 (dated Apr. 15, 1943).....	2		<sup>3</sup> 3,525,786.07	89,327,322.88
1948.....	1¾		25,887,891.80	54,006,007.88
United States savings bonds:				
Series A-1935.....	4 2.9	3,961,960.50	6,724,664.25	7,605,614.50
Series B-1936.....	4 2.9	7,384,758.00	7,205,806.75	12,223,630.25
Series C-1937.....	4 2.9	9,816,276.50	9,563,232.50	9,364,014.25
Series C-1938.....	4 2.9	12,114,660.50	11,777,834.00	11,524,270.50
Series D-1939.....	4 2.9	20,518,132.25	19,876,713.75	19,401,295.50
Series D-1940.....	4 2.9	26,139,939.75	25,265,404.00	24,591,542.00
Series D-1941.....	4 2.9	5,923,045.75	11,585,758.50	11,272,334.50
Series E-1941.....	4 2.9	1,476,091.50	16,976,412.43	17,716,865.66
Series F-1941.....	4 2.53	200,535.40	1,722,214.61	2,848,327.62
Series E-1942.....	4 2.9		16,148,439.61	72,645,411.00
Series F-1942.....	4 2.53		764,948.35	4,970,435.42
Series G-1941, 1942 and 1943.....	4 2.5	21,282,661.35	76,519,226.87	139,472,860.56
Series E-1943.....	4 2.9			28,004,122.61
Series F-1943.....	4 2.53			1,022,089.90
Depository bonds.....	2	1,112,237.86	2,423,104.96	6,563,245.69
Adjusted service bonds of 1945.....	3	2,212,397.68	1,408,210.70	1,381,629.54
Adjusted service bonds, Government life insurance fund, Series 1946.....	4½	22,507,108.04	22,507,108.04	22,507,108.04
Treasury notes, public issues.....	Various	53,136,126.21	103,246,068.70	146,759,426.88
Treasury notes, special issues:				
Old-age reserve account.....	3	18,136,857.56		
Federal old-age and survivors insurance trust fund.....	2½	33,202,500.00	33,202,500.00	26,127,500.00
Federal old-age and survivors insurance trust fund.....	2¾	7,895,345.88	14,321,250.00	14,321,250.00
Federal old-age and survivors insurance trust fund.....	1¾		211,900.68	20,391,188.49
Federal old-age and survivors insurance trust fund.....	2		3,578,794.55	9,180,000.00
Federal old-age and survivors insurance trust fund.....	2½		4,024,109.58	5,100,000.00
Federal old-age and survivors insurance trust fund.....	2¼	210,821.92	15,264,000.00	15,264,000.00
Railroad retirement account.....	3	2,198,067.14	4,714,356.19	9,837,049.21
Civil service retirement fund.....	4	24,990,093.14	32,109,906.87	47,701,409.78
Civil service retirement fund.....	3	29,537.83	42,956.49	50,227.86
Foreign service retirement fund.....	4	185,431.68	230,321.32	250,785.57
Canal Zone retirement fund.....	4	238,811.28	290,184.54	340,391.37
Canal Zone retirement fund.....	3			402.79
Alaska Railroad retirement fund.....	4	37,693.15	50,920.22	61,428.52
Postal Savings System <sup>5</sup> .....	2	1,445,620.94	338,254.26	3,507,146.14
Government life insurance fund.....	2	148,821.91	297,265.76	295,378.23
Federal Savings and Loan Insurance Corporation.....	2	137,422.64	87,983.78	625,655.61
National service life insurance fund.....	3	433,551.37	4,967,969.16	22,190,004.10
Federal Deposit Insurance Corporation.....	2	1,879,445.15	1,405,054.95	1,889,508.18
Certificates of indebtedness, public issues.....	¾	<sup>3</sup> 50.75	28,960,720.85	56,008,432.64
Certificates of indebtedness, special issue, adjusted service certificate fund.....	4	4,256.98	2,518.25	21,042.62
Treasury bills <sup>6</sup> .....		2,233,478.95	11,266,993.76	13,964,303.53
Debt matured as of June 30 in the respective years:				
Old debt matured, issued prior to April 1, 1917.....	Various	4,260.85	241.44	198.99
Consols of 1930.....		496.25	10,756.75	1.25
First Liberty loan bonds.....	3½	40,115.17	17,855.82	20,573.35
First Liberty loan bonds (converted).....	3½		13.29	5.25
First Liberty loan bonds (converted).....	4	3,323.84	1,505.25	1,824.35
First Liberty loan bonds (converted).....	4¼	25,743.71	11,827.30	7,808.92
First Liberty loan bonds (second converted).....	4¼	22.32	12.74	8.51
Second Liberty loan bonds.....	4	5,467.00	3,726.00	3,017.00
Second Liberty loan bonds (converted).....	4¼	6,007.10	5,672.29	10,998.81
Third Liberty loan bonds.....	4¼	20,604.22	12,221.84	11,958.61
Fourth Liberty loan bonds.....	4¼	162,456.38	94,004.77	104,165.22
Victory notes.....	4¾	2,577.76	1,286.07	2,000.10

Footnotes at end of table.

TABLE 55.—Interest paid on the public debt, by issues, fiscal years 1942 through 1944 <sup>1</sup>—Continued

Issues	Rate of interest	1942	1943	1944
Debt matured as of June 30 in the respective years—Continued.	Percent			
War savings stamps		\$64,515.00	\$50,475.00	\$33,175.00
Treasury savings certificates		425.00	225.00	25.00
Panama Canal loan of 1916-36		326.10	9.70	
Panama Canal loan of 1918-38		50.00	4.40	
Treasury bonds of 1940-43		81,555.09	31,016.53	25,732.45
Treasury bonds of 1941-43	3½	<sup>2</sup> 193,425.45	61,580.52	17,685.17
Treasury bonds of 1943-45	3½			23,962,237.36
Treasury bonds of 1944-47	4¼-3¼		15,204,825.29	1,409,218.24
Treasury bonds of 1941	3½	899,301.49	32,949.35	23,630.42
Treasury bonds of 1944-46	3¼			49,789,831.49
Treasury notes, public issues	3¼	7,635,535.35	14,700,294.73	19,257,252.95
Treasury notes, special issues:	Various			
Old-age reserve account	3	11,400,000.00	13,061,621.92	
Railroad retirement account	3	944,991.77	1,062,493.15	
Federal old-age and survivors insurance trust fund	2½			7,075,000.00
Civil service retirement fund	4	4,702,761.64	5,636,000.00	5,016,000.00
Foreign service retirement fund	4	30,040.87	22,657.43	27,062.39
Canal Zone retirement fund	4	19,345.09	20,311.66	21,170.06
Alaska Railroad retirement fund	4	10,600.00	8,482.84	6,328.85
Federal Deposit Insurance Corporation	2	77,049.18	783,791.21	115,846.99
Postal Savings System	2	230,530.87	145,027.62	1,571,474.02
Government life insurance fund	2	218,055.29	228,621.91	159,890.71
Federal Savings and Loan Insurance Corporation	2			709.24
Treasury certificates	2	107.00	36.00	
Certificates of indebtedness, public issues, at various interest rates		14,008.08	16,214,485.16	110,409,641.55
Certificates of indebtedness, special issues:				
Adjusted service certificate fund	4	642,241.09	730,256.99	725,454.80
Unemployment trust fund	2½	60,353,106.99		
Unemployment trust fund	2½		6,530,910.31	
Unemployment trust fund	2		2,978,871.03	
Unemployment trust fund	1½		723,843.21	93,777,764.42
Unemployment trust fund	2½	6,530,862.41		
Unemployment trust fund	2¼	537,016.57	70,357,133.15	
Treasury bills <sup>3</sup>		2,434,612.61	19,400,944.01	37,236,997.08
Total		1,260,105,096.85	1,813,008,496.73	2,610,117,272.01

<sup>1</sup> For details for the fiscal years 1918 to 1929, see annual report for 1929, p. 503; and for later years, similar tables in subsequent reports.

<sup>2</sup> Includes adjustment of \$156.99 that had been charged against the bond issue of 1941-43.

<sup>3</sup> Deduct excess of credits, collection of interest accruals, and counter warrants adjustments.

<sup>4</sup> Approximate yield if held to maturity.

<sup>5</sup> Includes interest on Canal Zone Postal Savings System, Treasury notes.

<sup>6</sup> Sold on a discount basis.

TABLE 56.—*Amount of interest-bearing debt outstanding, the computed annual interest charge, and the computed rate of interest, at the end of the fiscal years 1916 through 1944, and at the end of each month from July 1943 to June 1944*<sup>1</sup>

[On basis of Public Debt accounts through June 1942, and subsequently on basis of daily Treasury statements, see p. 519]

End of fiscal year or month	Interest-bearing debt <sup>2</sup>	Computed annual interest charge	Computed rate of interest
June 30—			<i>Percent</i>
1916.....	\$971,562,590	\$23,084,635	2.376
1917.....	2,712,549,476	83,625,482	3.120
1918.....	11,985,882,436	468,618,544	3.910
1919.....	25,234,496,273	1,054,204,509	4.178
1920.....	24,061,095,361	1,016,592,219	4.225
1921.....	23,737,352,080	1,029,917,903	4.339
1922.....	22,711,035,587	962,896,535	4.240
1923.....	22,007,590,754	927,331,341	4.214
1924.....	20,981,586,429	876,960,673	4.180
1925.....	20,210,906,251	829,680,044	4.105
1926.....	19,383,770,860	793,423,952	4.093
1927.....	18,250,943,965	722,675,553	3.960
1928.....	17,317,695,096	671,353,112	3.877
1929.....	16,638,941,379	656,654,311	3.946
1930.....	15,921,892,350	606,031,831	3.807
1931.....	16,519,588,640	588,987,438	3.566
1932.....	19,161,273,540	671,604,676	3.505
1933.....	22,157,643,120	742,175,955	3.350
1934.....	26,480,487,920	842,301,133	3.181
1935.....	27,645,229,826	750,677,802	2.716
1936.....	32,755,631,770	838,002,053	2.559
1937.....	35,802,586,915	924,347,089	2.582
1938.....	36,578,684,982	947,164,071	2.589
1939.....	39,891,844,494	1,037,107,765	2.600
1940.....	42,380,009,306	1,094,721,802	2.583
1941.....	48,404,879,488	1,218,693,931	2.518
1942.....	72,041,190,333	1,645,975,092	2.285
1943.....	135,380,305,795	2,678,779,036	1.979
1944.....	199,543,355,301	3,849,254,656	1.929
End of month—			
1943—July.....	140,238,167,772	2,763,418,817	1.971
August.....	142,720,911,218	2,802,355,891	1.964
September.....	157,053,454,432	3,070,315,960	1.955
October.....	163,588,593,754	3,173,286,711	1.940
November.....	164,781,145,566	3,202,657,564	1.944
December.....	164,507,589,325	3,216,975,951	1.956
1944—January.....	167,042,979,679	3,272,900,647	1.959
February.....	181,708,804,534	3,514,447,566	1.951
March.....	183,348,185,573	3,566,570,951	1.945
April.....	183,412,507,440	3,573,410,136	1.948
May.....	184,874,110,089	3,598,142,173	1.946
June.....	199,543,355,301	3,849,254,656	1.929

<sup>1</sup> For monthly data back to June 30, 1916, see annual reports for 1929, p. 509; for 1936, p. 442; and corresponding tables in subsequent reports.

<sup>2</sup> The interest-bearing debt includes discount on Treasury bills from June 30, 1930, the amount being deducted from the interest-bearing debt prior to calculating the average interest rate.

TABLE 57.—*Interest paid on the securities issued or guaranteed by the United States Government, classified by tax status, fiscal years 1913 through 1944*

[On basis of Public Debt accounts, see p. 519]

Fiscal year	Grand total					
	Total	Tax-exempt			Taxable	Special issues to Government agencies and trust funds
		Total	Wholly	Partially		
1913....	\$22,899,108.08	\$22,899,108.08	\$22,899,108.08	.....	.....	.....
1914....	22,863,956.70	22,863,956.70	22,863,956.70	.....	.....	.....
1915....	22,902,897.04	22,902,897.04	22,902,897.04	.....	.....	.....
1916....	22,900,313.03	22,900,313.03	22,900,313.03	.....	.....	.....
1917....	24,742,129.42	24,742,129.42	24,742,129.42	.....	.....	.....
1918....	197,526,608.36	197,526,608.36	144,428,106.25	\$53,098,502.11	.....	.....
1919....	615,867,337.32	615,867,337.32	72,399,358.41	543,467,978.91	.....	.....
1920....	1,024,024,440.02	1,024,024,440.02	71,378,560.78	952,645,879.24	.....	.....
1921....	996,676,803.75	996,676,803.75	84,817,537.26	911,859,266.49	.....	.....
1922....	989,485,409.93	989,485,409.93	71,961,288.44	917,524,121.49	.....	.....
1923....	1,055,088,486.44	1,055,088,486.44	70,517,091.98	984,571,394.46	.....	.....
1924....	938,740,771.79	938,740,771.79	70,422,193.17	868,318,578.62	.....	.....
1925....	882,014,950.03	881,957,306.19	69,056,550.99	812,900,755.20	.....	\$57,643.84
1926....	831,469,206.12	827,649,874.62	65,142,335.84	762,507,538.78	.....	3,819,331.50
1927....	787,793,764.08	779,456,766.83	64,824,104.36	714,632,662.47	.....	8,336,997.25
1928....	731,850,073.89	717,443,778.31	66,097,950.10	651,345,828.21	.....	14,406,295.58
1929....	678,980,351.20	662,906,510.45	65,129,844.68	597,776,665.77	.....	16,073,840.75
1930....	658,602,154.96	629,632,481.69	67,767,721.14	561,864,760.55	.....	28,969,673.27
1931....	610,758,025.42	570,013,183.79	103,241,602.57	466,771,581.22	.....	40,744,841.63
1932....	599,722,595.24	588,948,616.31	116,232,545.69	472,716,070.62	.....	10,773,978.93
1933....	689,243,011.82	674,708,349.31	202,013,327.75	472,695,021.56	.....	14,534,662.51
1934....	759,559,326.33	745,203,326.28	248,717,774.86	496,485,551.42	.....	14,356,000.05
1935....	913,052,028.92	895,834,604.93	292,745,100.46	603,089,504.47	.....	17,217,423.99
1936....	867,367,943.91	842,027,963.73	262,340,559.32	579,687,404.41	.....	25,339,980.18
1937....	985,411,586.18	936,900,876.16	239,014,792.17	697,886,083.99	.....	48,510,710.02
1938....	1,041,109,048.36	967,306,236.77	216,374,331.75	750,925,905.02	.....	73,808,811.59
1939....	1,055,806,779.72	954,398,628.19	147,060,279.74	807,398,348.45	.....	101,408,151.53
1940....	1,151,376,049.80	1,019,528,712.69	104,224,087.26	915,304,025.43	.....	131,847,337.11
1941....	1,221,067,348.64	1,060,941,089.18	79,202,618.97	981,738,470.21	\$486,589.99	159,639,669.47
1942....	1,385,670,031.26	1,020,162,592.31	57,082,739.04	963,079,853.27	166,069,450.57	199,437,988.38
1943....	1,895,023,925.26	1,962,243,370.01	38,251,077.33	923,992,292.68	691,496,361.47	241,284,193.78
1944....	2,687,999,788.14	917,838,020.77	27,163,927.79	890,674,092.98	1,462,003,589.38	308,158,177.99

<sup>1</sup> Corrected.

TABLE 57.—Interest paid on the securities issued or guaranteed by the United States Government, classified by tax status, fiscal years 1913 through 1944—Continued

Fiscal year	U. S. Government				
	Total	Tax-exempt		Taxable	Special issues to Government agencies and trust funds
		Wholly	Partially		
1913	\$22,899,108.08	\$22,899,108.08			
1914	22,863,956.70	22,863,956.70			
1915	22,902,897.04	22,902,897.04			
1916	22,900,313.03	22,900,313.03			
1917	24,742,129.42	24,742,129.42			
1918	197,526,608.36	144,428,106.25	\$53,098,502.11		
1919	615,867,337.32	72,399,358.41	543,467,978.91		
1920	1,024,024,440.02	71,378,560.78	952,645,879.24		
1921	996,676,803.75	84,817,537.26	911,859,266.49		
1922	989,485,409.93	71,961,288.44	917,524,121.49		
1923	1,055,088,486.44	70,517,091.98	984,571,394.46		
1924	938,740,771.79	70,422,193.17	868,318,578.62		
1925	882,014,950.03	69,056,550.99	812,900,755.20		\$57,643.84
1926	831,469,206.12	65,142,335.84	766,507,538.78		3,819,331.50
1927	787,793,764.08	64,824,104.36	714,632,662.47		8,336,997.25
1928	731,850,073.89	66,097,950.10	651,345,828.21		14,406,295.58
1929	678,980,351.20	65,129,844.68	597,776,665.77		16,073,840.75
1930	658,602,154.96	67,767,721.14	561,864,760.55		28,969,673.27
1931	610,758,025.42	103,241,602.57	466,771,581.22		40,744,841.63
1932	599,722,595.24	116,232,345.69	472,716,070.62		10,773,978.93
1933	689,243,011.82	202,013,327.75	472,695,021.56		14,534,662.51
1934	757,210,099.33	248,717,774.86	494,136,324.42		14,356,000.05
1935	821,486,422.26	292,745,100.46	511,523,897.81		17,217,423.99
1936	747,896,613.54	262,340,559.32	460,216,074.04		25,339,980.18
1937	866,798,692.94	239,014,792.17	579,273,190.75		48,510,710.02
1938	926,247,272.42	216,374,331.75	636,064,129.08		73,808,811.59
1939	940,958,138.78	147,000,279.74	692,549,707.51		101,408,151.53
1940	1,041,448,261.64	104,224,687.26	805,376,237.27		131,847,337.11
1941	1,110,205,219.13	79,202,618.97	870,876,340.70	\$486,589.99	159,639,669.47
1942	1,260,105,096.85	57,082,739.04	850,120,494.20	153,463,875.23	199,437,988.38
1943	1,813,008,496.73	38,251,077.33	1,857,377,525.32	1,676,095,700.30	241,284,193.78
1944	2,610,117,272.01	27,163,927.79	825,002,749.03	1,449,792,417.20	308,158,177.99

Fiscal year	Federal instrumentalities: Guaranteed issues		
	Total	Partially tax-exempt	Taxable
1913			
1914			
1915			
1916			
1917			
1918			
1919			
1920			
1921			
1922			
1923			
1924			
1925			
1926			
1927			
1928			
1929			
1930			
1931			
1932			
1933			
1934	\$2,349,227.00	\$2,349,227.00	
1935	91,565,606.66	91,565,606.66	
1936	119,471,330.37	119,471,330.37	
1937	118,612,893.24	118,612,893.24	
1938	114,861,775.94	114,861,775.94	
1939	114,848,640.94	114,848,640.94	
1940	109,927,788.16	109,927,788.16	
1941	110,862,129.51	110,862,129.51	
1942	125,564,934.41	112,959,359.07	\$12,605,575.34
1943	82,015,428.53	66,614,767.36	15,400,661.17
1944	77,882,516.13	65,671,343.95	12,211,172.18

NOTE.—The amount of interest paid includes the increase in the redemption value of United States savings bonds during the year and the discount on unmatured issues of Treasury bills. Interest paid on guaranteed issues does not include about \$207,500 paid on Tennessee Valley Authority bonds "issued on the credit of the United States."

<sup>1</sup> Corrected.



Home Owners' Loan Corporation, act of June 13, 1933, as amended: 1½% bonds, Series M, 1945-47— Reconstruction Finance Corporation, act of Jan. 22, 1932, as amended: 1% notes, Series X-B.....	(c)	1½%	June 1, 1939.....	June 1, 1945.....	June 1, 1947.....	June 1, Dec. 1.....	754,904,000.00.....	6 754,904,000.00
Tennessee Valley Authority, act of May 18, 1933, as amended. United States Maritime Commission, act of June 29, 1936, as amended. <sup>9</sup>	(3)	1%	July 1, 1943.....	Jan. 1, 1945.....	Jan. 1, 1945.....	Jan. 1, July 1.....	176,000,000.00.....	7 176,000,000.00
Total unmatured obligations.....							1,658,770,138.45	1,658,770,138.45
MATURED OBLIGATIONS								
Commodity Credit Corporation.....							7,000.00	11,208.77
Federal Farm Mortgage Corporation.....							42,913,400.00	43,956,048.72
Federal Housing Administration.....							17,100.00	18,376.87
Federal Public Housing Authority.....							66,000.00	66,653.14
Home Owners' Loan Corporation.....							64,251,175.00	65,694,592.84
Reconstruction Finance Corporation.....							176,000.00	177,904.25
Total matured obligations.....							107,430,675.00	109,924,844.59
Total, based on guarantees.....							1,766,200,813.45	1,768,694,983.04
ON CREDIT OF THE UNITED STATES								
Secretary of Agriculture, act of May 12, 1933. <sup>12</sup>								
U. S. Postal Savings System—funds due depositors, act of June 25, 1910, as amended. <sup>13</sup>	(14)	2%	Date of deposit.....	On demand.....	(11)	54,261,080.19	54,261,080.19	12 2,088,397,587.19
Canal Zone Postal Savings System—funds due depositors, act of June 13, 1940. <sup>16</sup>	(14)	2%	do.....	do.....	(13)	194,273.27	194,273.27	17 8,789,530.27
Tennessee Valley Authority, act of May 18, 1933, as amended: 2½% bonds, Series A.....	(15)	2½%	Sept. 1, 1938.....	Sept. 1, 1945.....	Mar. 1, Sept. 1.....		1,000,000.00	
2½% bonds, Series B.....	(15)	2½%	June 15, 1939.....	June 15, 1959, 1960, and 1961.	June 15, Dec. 15.....		5,300,000.00	
Total, based on credit of the United States.....							6,300,000.00	13 6,300,000.00
							2,049,031,762.00	2,103,487,117.46

Footnotes at end of table.

TABLE 58.—Contingent liabilities of the United States, June 30, 1944—Continued

Title	Tax ex- em- p- tions	Rate of in- terest	Date of issue	Redeemable (on and after)	Payable	Interest payable	Amount of contingent liability <sup>1</sup>		
							Principal	Matured interest	Total
OTHER OBLIGATIONS									
Federal Reserve notes (face amount), act of Dec. 23, 1913, as amended. <sup>20</sup>									
									\$18,488,780,076.26

<sup>1</sup> Does not include obligations held by the Treasury and reflected in the public debt as follows:

Agency	Type of obligation	Payable	Amount
Commodity Credit Corporation.	Interim notes	June 30, 1945	\$900,000,000.00
Federal Farm Mortgage Corporation.	Bonds	do	\$366,000,000.00
Federal Public Housing Authority.	Notes	do	398,000,000.00
Home Owners' Loan Corporation.	Bonds	do	580,000,000.00
Reconstruction Finance Corporation.	Notes	Jan. 1, 1945	8,416,487,123.79
Tennessee Valley Authority	Bonds	Various	56,772,500.00
Total			10,717,259,623.79

\* Includes \$1,000,000 in transit for redemption.

<sup>2</sup> The obligations listed hereunder are unconditionally guaranteed as to principal and interest.

<sup>3</sup> Income derived from these securities is subject to all Federal taxes, now or hereafter imposed. The securities are subject to surtaxes, estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, municipality, or local taxing authority.

<sup>11</sup> On basis of Public Debt accounts, the amounts of outstanding balances of contingent liabilities of the United States, as of June 30, 1944, are as follows:

Agency	Amount of out- standing bal- ances on basis of daily Treasury statement	Items in transit	Amount of out- standing bal- ances on basis of Public Debt accounts
Commodity Credit Corporation	\$704,344,470.99	+\$33.73	\$704,344,504.72
Federal Farm Mortgage Corporation	43,956,048.72	—\$42,766.91	43,113,281.81
Federal Housing Administration	23,551,313.10	—1,027.06	23,550,286.04
Federal Public Housing Authority	66,653.14	-----	66,653.14
Home Owners' Loan Corporation	\$20,598,592.84	—1,028,872.34	\$19,569,720.50
Reconstruction Finance Corporation	176,177,904.25	—15,185.00	176,162,719.25
Total	1,768,694,983.04	—1,887,817.58	1,766,807,165.46

<sup>12</sup> The Secretary of Agriculture is authorized pursuant to act of May 12, 1933, to borrow money upon all cotton in his possession or control and deposit as collateral for such loans, warehouse receipts for such cotton.



<sup>4</sup> Includes \$15,720,179.78 representing drafts paid for the account of the Commodity Credit Corporation against letters of credit and \$254,052,022.44 on account of drafts and invoices paid by commercial banks. Daily Treasury statement figures revised in the amount of \$143,131,512.65 to include increase in demand obligations outstanding June 30.

<sup>5</sup> The National Housing Act as amended by the National Housing Act Amendments of 1938, approved Feb. 3, 1938, reads in part as follows: "Such debentures as are issued in exchange for property covered by mortgages insured under sec. 203 or sec. 207 prior to the date of enactment of the National Housing Act Amendments of 1938 shall be subject only to such Federal, State, and local taxes as the mortgages in exchange for which they are issued would be subject to in the hands of the holder of the debentures. \* \* \* Such debentures as are issued in exchange for property covered by mortgages insured after the date of enactment of the National Housing Act Amendments of 1938 shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority." Under the Public Debt Act of 1941 interest upon and gain from the sale of debentures shall have no exemption under Federal tax acts now or hereafter enacted, except such debentures as may be issued on contracts entered into prior to Mar. 1, 1941.

<sup>6</sup> Redeemable on any interest day or days, on 3 months' notice.

<sup>7</sup> With reference to the debentures issued prior to Mar. 1, 1941, in the name of the Housing Insurance fund, the National Housing Act Amendments of 1938, approved Feb. 3, 1938, states that "Such debentures as are issued in exchange for mortgages insured after the date of enactment of the National Housing Act Amendments of 1938 shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority." Under the Public Debt Act of 1941 interest upon and gain from the sale of debentures shall have no exemption under Federal tax acts now or hereafter enacted, except such debentures as may be issued on contracts entered into prior to Mar. 1, 1941.

<sup>8</sup> Exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or any district, Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

<sup>9</sup> Debentures authorized to be issued by the U. S. Maritime Commission under the Federal Ship Mortgage Insurance Act, shall be fully and unconditionally guaranteed as to principal and interest by the United States.

<sup>10</sup> Funds have been deposited with the Treasurer of the United States for payment of outstanding matured principal and interest.

<sup>13</sup> The faith of the United States is solemnly pledged to the payment of the deposits made in postal savings depository offices, with accrued interest thereon.

<sup>14</sup> Under the Public Debt Act of 1941, income derived from deposits made subsequent to Mar. 1, 1941, is subject to all Federal taxes.

<sup>15</sup> Interest payable quarterly from first day of month next following the date of deposit. Amount shown is as of June 30, 1944, which figure was not available for use in the statement published in the daily Treasury statement of July 1, 1944. Offset by cash in designated depository banks amounting to \$8,684,948.74 which is secured by the pledge of collateral as provided in the Regulations of the Postal Savings System, having a face value of \$10,597,050; cash in possession of System amounting to \$127,619,867.22; Government securities with a face value of \$1,951,994,710; and other assets.

<sup>17</sup> Amount shown is as of June 30, 1944, which figure was not available for use in the statement published in the daily Treasury statement of July 1, 1944. Offset by cash on hand and in depository banks amounting to \$88,215.79; Government securities with a face value of \$8,667,735; and other assets.

<sup>18</sup> Bonds which have been issued by the Tennessee Valley Authority on the credit of the United States as provided in sec. 15 of the Tennessee Valley Authority Act of 1933, as amended, have all the rights and privileges accorded by law to Panama Canal bonds authorized by sec. 8 of the act of June 28, 1902, ch. 1392, as amended by the act of Dec. 21, 1905 (ch. 3, sec. 1, 34 Stat. 5), as now compiled in sec. 743 of Title 31 of the United States Code.

<sup>19</sup> Held by the Reconstruction Finance Corporation.

<sup>20</sup> Federal Reserve notes are obligations of the United States and shall be receivable by all national and member banks and Federal Reserve Banks and for all taxes, customs, and other public dues. They are redeemable in lawful money on demand at the Treasury Department, in Washington, D. C., or at any Federal Reserve Bank.

<sup>21</sup> Amount shown is as of June 30, 1944, which figure was not available for use in the statement published in the daily Treasury statement of July 1, 1944. Amount shows actual circulation, exclusive of \$410,180,308.74 redemption fund deposited in the Treasury and \$629,013,205 of their own Federal Reserve notes held by the issuing banks. The collateral security for Federal Reserve notes issued consists of \$11,908,000,000 in gold certificates and in credits with the Treasurer of the United States payable in gold certificates, \$7,764,482,000 face amount of U. S. Government securities and \$12,636,000 face amount of commercial paper.

TABLE 59.—*Contingent liabilities of the United States as of June 30, 1935 through 1944*  
 [In thousands of dollars. On basis of daily Treasury statements, see p. 519]

Agency	Obligation	Face amount of contingent liability <sup>1</sup>									
		June 30, 1935	June 30, 1936	June 30, 1937	June 30, 1938	June 30, 1939	June 30, 1940	June 30, 1941	June 30, 1942	June 30, 1943	June 30, 1944
GUARANTEED BY THE UNITED STATES											
UNMATURED OBLIGATIONS											
Commodity Credit Corporation	Notes				206, 174	206, 174	406, 794	686, 252	701, 054	480, 065	704, 333
Federal Farm Mortgage Corporation	Bonds	1, 225, 599	1, 422, 185	1, 422, 191	1, 409, 760	1, 379, 410	1, 269, 388	1, 269, 388	929, 764	929, 764	
Federal Housing Administration:											
Mutual mortgage insurance fund	Debentures			90	583	2, 634	5, 477	8, 049	8, 620	8, 797	8, 518
Housing insurance fund	do						2, 024	9, 304	12, 844	14, 662	13, 043
War housing insurance fund	do										1, 972
Federal Public Housing Authority	Notes					114, 157	114, 157	226, 256	114, 157	114, 157	
Home Owners' Loan Corporation	Bonds	2, 647, 314	3, 044, 218	2, 987, 079	2, 937, 169	2, 927, 949	2, 603, 360	2, 408, 921	1, 562, 805	1, 533, 482	754, 904
Reconstruction Finance Corporation	Notes	249, 772	251, 630	255, 235	298, 873	819, 689	1, 096, 357	1, 741, 449	1, 219, 251	1, 010, 760	176, 000
Total unmatured obligations		4, 122, 685	4, 718, 033	4, 664, 595	4, 852, 559	5, 450, 013	5, 497, 557	6, 359, 619	4, 548, 496	4, 091, 687	1, 658, 770
MATURED OBLIGATIONS											
Commodity Credit Corporation									42	137	7
Federal Farm Mortgage Corporation							354	142	13, 946	1, 959	42, 913
Federal Housing Administration:											
Mutual mortgage insurance fund								26	13	16	17
Federal Public Housing Authority									5		66
Home Owners' Loan Corporation				10	233	821	30, 906	10, 396	5, 289	5, 863	64, 251
Reconstruction Finance Corporation									401	281	176
Total matured obligations				10	233	821	31, 259	10, 564	19, 696	8, 256	107, 431
Total, based on guarantees		4, 122, 685	4, 718, 033	4, 664, 605	4, 852, 792	5, 450, 834	5, 528, 816	6, 370, 183	4, 568, 192	4, 099, 943	1, 766, 201
ON CREDIT OF THE UNITED STATES											
Secretary of Agriculture	Notes	45, 000									
U. S. Postal Savings System	Funds due depositors	1, 204, 932	1, 231, 747	1, 267, 750	1, 251, 875	1, 262, 370	1, 293, 504	1, 309, 447	1, 481, 865	1, 577, 526	2, 034, 137

[illegible]

Noted.—These amounts do not include any matured interest for which funds have been deposited with the Treasurer of the United States for payment. Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Figures prior to the fiscal year 1943 are on basis of Public Debt accounts. For recapitulation to basis of Public Debt accounts for the fiscal year 1944, see note 11, table 58.

<sup>2</sup> Daily Treasury statement figures revised in the amount of \$143,132 thousands to include increase in demand obligations outstanding June 30.

<sup>3</sup> Amount shown is as of June 30, 1942, amount shown in the June 30, 1942, Public Debt Statement is as of June 30, 1942.

<sup>4</sup> Amount shown is as of June 30, 1943, which figure was not available for use in the statement published in the daily Treasury statement of July 1, 1943.

<sup>5</sup> Amount shown is as of June 30, 1944, which figure was not available for use in the statement published in the daily Treasury statement of July 1, 1944.

<sup>6</sup> Bonds held by the Reconstruction Finance Corporation.

TABLE 60.—*Amounts of guaranteed obligations matured or called, and amounts redeemed, fiscal year 1944*

Description	Amounts matured or called	Amounts redeemed <sup>1</sup>
Commodity Credit Corporation:		
3/4% notes, Series F, 1943.....	(2)	\$130,000.00
Demand obligations.....		<sup>2</sup> 61,557,891.48
Total.....		61,687,891.48
Federal Farm Mortgage Corporation:		
3% bonds of 1942-47.....	(2)	814,700.00
23/4% bonds of 1942-47.....	(2)	194,500.00
31/4% bonds of 1944-64, called Mar. 15, 1944.....	\$94,678,600.00	87,855,400.00
3% bonds of 1944-49, called May 15, 1944.....	835,085,600.00	799,945,600.00
Total.....	929,764,200.00	888,810,200.00
Federal Housing Administration:		
Mutual mortgage insurance fund:		
23/4% debentures, Series B, eighth called.....	(2)	16,250.00
23/4% debentures, Series B, ninth called.....	538,400.00	538,400.00
23/4% debentures, Series B, tenth called.....	332,200.00	315,100.00
23/4% debentures, Series E, first called.....	114,400.00	114,400.00
Housing insurance fund:		
23/4% debentures, Series D, first called.....	1,618,850.00	1,618,850.00
Total.....	2,603,850.00	2,603,000.00
Federal Public Housing Authority:		
13/8% notes, Series B, 1944, matured Feb. 1, 1944.....	114,457,000.00	114,091,000.00
Home Owners' Loan Corporation:		
3% bonds, Series A, 1944-52, called May 1, 1944.....	778,577,775.00	717,504,875.00
23/4% bonds, Series B, 1939-49.....	(2)	933,775.00
11/2% bonds, Series F, 1939.....	(2)	125.00
21/4% bonds, Series G, 1942-44.....	(2)	1,747,600.00
5s% bonds, Series L, 1941.....	(2)	3,000.00
11/2% bonds, Series M, 1945-47.....		25.00
Total.....	778,577,775.00	<sup>4</sup> 720,189,400.00
Reconstruction Finance Corporation:		
7/8% notes, Series N, 1941.....	(2)	1,000.00
1% notes, Series S, 1942.....	(2)	13,000.00
7/8% notes, Series U, 1942.....	(2)	267,000.00
11/8% notes, Series V, 1943, matured July 15, 1943.....	324,397,000.00	324,380,000.00
1% notes, Series W, 1944, matured Apr. 15, 1944.....	571,363,000.00	571,204,000.00
Total.....	895,760,000.00	895,865,000.00
Grand total.....	2,720,862,825.00	2,683,246,491.48

<sup>1</sup> On the basis of daily Treasury statement.<sup>2</sup> Matured or called prior to fiscal year 1944.<sup>3</sup> Does not include liquidations by commercial banks direct.<sup>4</sup> Includes \$700 noncash retirements by special authority not reflected in the daily Treasury statement

TABLE 61.—Average yield on long-term Treasury bonds, by months, January 1930 through June 1944<sup>1</sup>

(Averages of daily figures. Percent per annum)

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
PARTIALLY TAX-EXEMPT BONDS <sup>2</sup>													
1930	3.43	3.41	3.29	3.37	3.31	3.25	3.25	3.26	3.24	3.21	3.19	3.22	3.29
1931	3.20	3.30	3.27	3.26	3.16	3.13	3.15	3.18	3.25	3.63	3.63	3.93	3.34
1932	4.26	4.11	3.92	3.68	3.76	3.76	3.58	3.45	3.42	3.43	3.45	3.35	3.68
1933	3.22	3.31	3.42	3.42	3.30	3.21	3.20	3.21	3.19	3.22	3.46	3.53	3.31
1934	3.50	3.32	3.20	3.11	3.02	2.98	2.92	3.03	3.20	3.10	3.07	3.01	3.12
1935	2.88	2.79	2.77	2.74	2.72	2.72	2.69	2.76	2.85	2.85	2.83	2.84	2.79
1936	2.81	2.78	2.73	2.70	2.68	2.69	2.68	2.64	2.65	2.68	2.60	2.59	2.60
1937	2.56	2.54	2.66	2.83	2.80	2.81	2.78	2.78	2.82	2.82	2.78	2.73	2.74
1938	2.69	2.68	2.67	2.66	2.56	2.58	2.58	2.57	2.63	2.55	2.56	2.56	2.61
1939	2.54	2.51	2.43	2.38	2.27	2.22	2.23	2.27	2.67	2.60	2.46	2.35	2.41
1940	2.30	2.32	2.26	2.26	2.39	2.40	2.30	2.31	2.25	2.21	2.09	2.01	2.26
1941	2.12	2.22	2.12	2.07	2.04	2.01	1.98	2.01	2.02	1.98	1.95	2.06	2.05
1942	2.10	2.17	2.10	2.07	2.06	2.04	2.04	2.06	2.08	2.09	2.10	2.13	2.09
1943	2.11	2.11	2.12	2.05	1.96	1.91	1.91	1.92	1.90	1.90	1.94	1.95	1.98
1944	1.95	1.93	1.91	1.94	1.94	1.91							
TAXABLE BONDS <sup>3</sup>													
1941										2.34	2.34	2.47	
1942	2.48	2.48	2.46	2.44	2.45	2.43	2.46	2.47	2.46	2.45	2.47	2.49	2.46
1943	2.46	2.46	2.48	2.48	2.46	2.45	2.45	2.46	2.48	2.48	2.48	2.49	2.47
1944	2.49	2.49	2.48	2.48	2.49	2.49							

<sup>1</sup> For bonds selling above par and callable at par before maturity, the yields are computed on the basis of redemption at first call date; while for bonds selling below par, yields are computed to maturity. Monthly averages are averages of daily figures. Each daily figure is an unweighted average of the yields of the individual issues. Prior to Sept. 1, 1941, yields were computed on the basis of the day's closing price on the New York Stock Exchange except that on days when an issue did not sell the yield was computed on the mean of closing bid and ask quotations on the Stock Exchange. Commencing Sept. 1, 1941, yields are computed on the basis of the mean of closing bid and ask quotations in the over-the-counter market. For average yields by months from January 1919 through December 1929, see p. 662 of the annual report for 1943. The table below shows the issues of Treasury bonds which are included in the averages above.

Issue	Date bond is first included in average	Date bond is first excluded from average
PARTIALLY TAX-EXEMPT BONDS		
4½%, Oct. 15, 1917-52	Nov. 1, 1922	Oct. 15, 1935
4%, Dec. 15, 1944-54	Dec. 15, 1924	Dec. 15, 1932
3¾%, Mar. 15, 1946-56	Mar. 15, 1926	Mar. 15, 1934
3½%, June 15, 1943-47	July 12, 1927	June 15, 1931
3½%, June 15, 1946-49	June 15, 1931	June 15, 1934
3%, Sept. 15, 1951-55	Sept. 15, 1931	Sept. 15, 1935
3½%, Dec. 15, 1949-52	Dec. 15, 1934	Nov. 30, 1935
2½%, Mar. 15, 1955-60	Mar. 15, 1935	Mar. 15, 1940
2¾%, Sept. 15, 1956-59	Sept. 15, 1936	Sept. 15, 1941
2¾%, June 15, 1958-63	June 15, 1938	June 15, 1943
2¾%, Dec. 15, 1960-65	Dec. 15, 1938	
TAXABLE BONDS		
2½%, Sept. 15, 1967-72	Oct. 20, 1941	
2½%, June 15, 1962-67	July 6, 1942	
2½%, Dec. 15, 1963-68	Dec. 3, 1942	
2½%, June 15, 1964-69	May 3, 1943	
2½%, Dec. 15, 1964-69	Oct. 11, 1943	
2½%, Mar. 15, 1965-70	Feb. 16, 1944	

<sup>2</sup> From July 17, 1928, through Nov. 29, 1935, yields are based on all outstanding partially tax-exempt Treasury bonds neither due nor callable for 12 years; from Nov. 30, 1935, yields are based on all outstanding partially tax-exempt Treasury bonds neither due nor callable for 15 years.

<sup>3</sup> Average of all taxable Treasury bonds neither due nor callable for 15 years. Taxable bonds are those on which the interest is subject to both the normal and surtax rates of the Federal income tax. This average commenced Oct. 20, 1941.

TABLE 62.—Prices and yields of public marketable securities issued or guaranteed by the United States, June 30, 1943, and June 30, 1944, and price ranges since dates of issue <sup>1</sup>

[Price decimals are thirty-seconds]

Issue	June 30, 1943				June 30, 1944				Price range since date of issue			
	Price		Yield to—		Price		Yield to—		High		Low	
	Bid	Ask	Call	Maturity	Bid	Ask	Call	Maturity	Price	Date	Price	Date
Securities issued by the United States Government <sup>2</sup>												
Treasury bonds:	100.28+	100.29+	Percent	Percent	101.19+	101.20+	Percent	Percent				
3½%, Oct. 15, 1943-45 <sup>1</sup>	102.05	102.06	0.12	2.43	101.19+	101.20+	0.39	3.81	116.19	June 22, 1939	94.06	Jan. 11, 1932
3½%, Apr. 15, 1944-46 <sup>1</sup>	104.29	104.31	.59	3.47	102.20	102.21	.55	1.90	110.12	Dec. 12, 1940	99.27	Sept. 17, 1935
4%, Dec. 15, 1944-54	104.15	104.17	.69	1.64	102.25	102.27	.55		109.24	Dec. 14, 1940	101.31	Dec. 13, 1937
2½%, Sept. 15, 1945-47	104.11	104.13	.70		102.25	102.27			116.14	Dec. 14, 1940	89.18	Jan. 12, 1932
2½%, Dec. 15, 1945	104.11	104.13	.86	3.01	103.10	103.12	.59	3.20	116.14	Dec. 14, 1940	97.28	Sept. 17, 1934
3½%, Mar. 15, 1946-56	107.22	107.24	.86	1.69	104.20	104.22		1.77	112.28	Dec. 14, 1940	83.05	Jan. 11, 1932
3%, June 15, 1946-48	106.05	106.07	.88	1.96	104.28	104.30	.59	2.08	113.19	Dec. 14, 1940	98.18	Oct. 8, 1923
3½%, June 15, 1946-49	106.16	106.18	.88	2.59	110.29	110.31	.86	2.76	122.22	Dec. 12, 1940	99.14	Sept. 25, 1939
4½%, Oct. 15, 1947-52	113.20	113.22	.99		104.02	104.04	.79		107.20	Dec. 12, 1940	100.22	Feb. 25, 1941
2%, Dec. 15, 1947	104.15	104.17	.97	1.66	101.28	101.30	1.47	1.65	111.05	Aug. 2, 1941	99.10	Apr. 1, 1937
2%, Mar. 15, 1948-50	102.04	102.06	1.52	1.70	106.15	106.17	1.42	1.72	111.18	Dec. 12, 1940	100.01	Dec. 23, 1942
2½%, June 15, 1948-51	107.17	107.19	1.10		106.15	106.17			111.01	Dec. 12, 1940	100.30	Apr. 2, 1938
1½%, June 15, 1948	101.07	101.09	1.49		101.07+	101.09+			107.00	Dec. 12, 1940	101.10	May 24, 1940
2½%, Sept. 15, 1948	107.05	107.07	1.08		106.14	106.16	.89		101.27	May 9, 1944	100.06	Aug. 5, 1942
2½%, Dec. 15, 1948-50	104.25	104.27	1.09	1.32	104.25	104.27	1.64	1.74	101.22	May 9, 1944	100.04	Oct. 6, 1942
2½%, June 15, 1949-51	101.12	101.14	1.75	1.81	101.21	101.23	1.69	1.77	101.21	May 9, 1944	100.03	Aug. 5, 1942
2½%, Sept. 15, 1949-51	101.10	101.12	1.77	1.84	101.17	101.19	1.71	1.79	115.04	Dec. 12, 1940	101.07	Dec. 13, 1934
2½%, Dec. 15, 1949-51	101.07	101.09	1.79	1.81	101.15	101.17	1.71	1.79	108.28	Dec. 10, 1940	96.19	Apr. 8, 1937
3½%, Dec. 15, 1949-52	111.12	111.14	1.28	1.72	106.31	106.33	1.14	1.79	101.12	Dec. 10, 1940	100.01	Nov. 2, 1942
2½%, Dec. 15, 1949-53	107.12	107.14	1.30	1.87	101.09	101.11	1.76	1.82	108.30	Dec. 10, 1940	96.15	Sept. 25, 1939
2½%, Mar. 15, 1950-52	101.01	101.03	1.33	1.56	107.17	107.19	1.23	1.52	101.12	Dec. 10, 1940	99.15	May 3, 1943
2½%, Sept. 15, 1950-52	107.31	107.33	1.33	1.89	100.30	100.32	1.83	1.87	101.01	Nov. 12, 1941	100.08	Apr. 1, 1937
2½%, June 15, 1951-54	100.29	100.31	1.86	1.73	100.13	100.15	1.32	1.71	110.26	Mar. 4, 1944	100.03	Nov. 8, 1943
2½%, Dec. 15, 1951-53	110.02	110.04	1.40		100.13+	100.15+		1.95	100.17	Dec. 30, 1940	82.08	Jan. 11, 1932
3%, Sept. 15, 1951-55	112.03	112.05	1.43	1.88	111.04	111.06	1.37	1.89	113.24	Nov. 22, 1941	101.08	May 24, 1940
2½%, Dec. 15, 1951-53	106.29	106.31	1.38	1.53	106.22	106.24	1.30	1.49	107.01	Dec. 5, 1941	100.01	Dec. 5, 1942
2½%, Dec. 15, 1951-55	100.29	100.31	1.88	1.92	100.17	100.19	1.92	1.95	101.16	Aug. 2, 1941	101.04	Mar. 20, 1941
2½%, Mar. 15, 1952-54	104.13	104.15	1.94	2.04	103.24	103.26		2.07	106.16			
2½%, June 15, 1952-54					( <sup>3</sup> )	( <sup>3</sup> )			102.14	July 19, 1943	100.16	Feb. 18, 1942
2½%, June 15, 1952-55	102.09	102.11	1.97	2.03	101.30	102.00	1.98	2.05	102.14			

	105.13	105.15	1.41	1.50	105.10	105.12	1.36	1.47	105.21	7.1944	101.19	Feb. 15, 1941
2 1/2%, June 15, 1953-55.....	107.09	107.11	1.52	1.62	107.09	107.11	1.46	1.58	107.22	Mar. 7, 1944	102.02	Feb. 15, 1941
2 1/2%, June 15, 1954-56.....	112.21	112.23	1.68	1.98	112.11	112.13	1.61	1.96	112.28	Mar. 7, 1944	98.30	July 24, 1940
2 1/2%, Mar. 15, 1955-60.....	104.11	104.13	2.11	2.15	103.17	103.19	2.15	2.20	105.08	July 6, 1943	101.30	Sept. 20, 1935
2 1/2%, Mar. 15, 1956-58.....	112.05	112.07	1.72	1.88	111.24	111.26	1.68	1.86	112.13	Nov. 5, 1941	98.10	Dec. 26, 1931
2 1/2%, Sept. 15, 1956-59.....					100.05	100.07	2.23	2.24	100.11	July 6, 1943	100.01	Apr. 1, 1937
2 1/2%, Sept. 15, 1958-59.....	112.05	112.07	1.82	2.01	111.23	111.25	1.79	2.00	112.13	May 9, 1944	99.15	Feb. 29, 1944
2 1/2%, June 15, 1958-63.....	112.21	112.23	1.89	2.04	112.00	112.02	1.90	2.05	112.28	July 6, 1943	99.14	Sept. 25, 1939
2 1/2%, Dec. 15, 1960-65.....	100.29	100.31	2.44	2.45	100.12	100.14	2.47	2.48	101.01	May 29, 1943	100.00	Aug. 17, 1942
2 1/2%, June 15, 1962-67.....	100.17	100.19	2.47	2.47	100.00	100.02	2.50	2.50	100.20	June 1, 1943	100.00	Feb. 17, 1941
2 1/2%, Dec. 15, 1963-68.....	100.14	100.16	2.47	2.48	100.00	100.02	2.50	2.50	100.06	June 2, 1943	100.00	Mar. 2, 1944
2 1/2%, June 15, 1964-69.....					100.00	100.02	2.50	2.50	100.07	Oct. 30, 1943	100.00	Mar. 2, 1944
2 1/2%, Dec. 15, 1964-69.....					100.00	100.02	2.50	2.50	100.07	Mar. 23, 1944	100.00	Feb. 16, 1944
2 1/2%, Mar. 15, 1965-70.....					100.10	100.12	2.48	2.48	103.15	Nov. 5, 1941	100.01	Jan. 2, 1942
2 1/2%, Sept. 15, 1967-72.....	101.01	101.03	2.44	2.45	100.10	100.12						
Other bonds: \$												
3%, Conversion, Jan. 1, 1946.....	106.04	106.16	.46	-----	103.24	104.00	.40	-----	115.00	1935	75.00	1920
3%, Conversion, Jan. 1, 1947.....	108.04	108.20	.58	-----	106.08	106.16	.43	-----	133.24	June 30, 1944	75.00	June 18, 1921
3%, Panama Canal, June 1, 1961.....	128.16	130.00	1.19	-----	133.00	134.16	.86	-----				

Footnotes at end of table.

TABLE 62.—Prices and yields of public marketable securities issued or guaranteed by the United States, June 30, 1943, and June 30, 1944, and price ranges since dates of issue 1—Continued

[Price decimals are thirty seconds]

Issue	June 30, 1943				June 30, 1944				Price range since date of issue			
	Price		Yield to —		Price		Yield to —		High		Low	
	Bid	Ask	Call	Maturity	Bid	Ask	Call	Maturity	Price	Date	Price	Date
Securities issued by the United States Government 2—Continued												
			Percent	Percent			Percent	Percent				
Treasury notes:												
1% C, Sept. 15, 1943	100.04+	100.05+	0.24									
1% B, Dec. 15, 1943	100.13	100.15	.17									
1% B, Mar. 15, 1944	100.17	100.19	.20									
2% A, June 15, 1944	100.15	100.17	.23									
1% C, Sept. 15, 1944	100.30	101.00	.20									
3% D, Sept. 15, 1944	100.01	100.03	.70									
0.90% D, Mar. 1, 1945 1												
3% A, Mar. 15, 1945	100.24	100.26	.29		100.03	100.04			102.16	Dec. 9, 1940	100.04	June 30, 1944
1% C, Mar. 15, 1945	100.19	100.21	.88		100.00+	100.01+			100.21	Sept. 10, 1941	99.11	Dec. 10, 1941
3% B, Dec. 15, 1945	99.25	99.27	.83		0.79%	0.77%			100.21	May 12, 1944	.86%	Jan. 24, 1944
3% C, Dec. 15, 1945	100.00	100.02	.99		100.08	100.09	.39		101.16	Aug. 6, 1941	98.26	June 10, 1940
1% A, Mar. 15, 1946	100.22	100.24	1.29		99.27+	99.28+	.84		100.20	Sept. 7, 1943	100.00	Oct. 30, 1942
1% B, Dec. 15, 1946					100.04	100.05			100.18	Oct. 25, 1941	99.02	Dec. 29, 1942
1% C, Mar. 15, 1947					100.25	100.27	1.16		100.29	May 10, 1944	100.01	Jan. 2, 1943
1% B, Mar. 15, 1947					( <sup>2</sup> )	( <sup>2</sup> )						
1% A, Sept. 15, 1947	100.16	100.18	1.37		100.23	100.24	1.25		100.24	June 30, 1944	100.16	Oct. 14, 1943
1% A, Sept. 15, 1948					100.13	100.14	1.39		100.14	June 30, 1944	100.05	Mar. 8, 1944
Certificates of indebtedness: 7												
7% B, Aug. 1, 1943	0.40%	0.35%	.38									
7% D, Nov. 1, 1943	.55%	.53%	.54									
7% E, Dec. 1, 1943	.57%	.55%	.56									
7% A, Feb. 1, 1944	.63%	.63%	.64									
7% B, Apr. 1, 1944	.69%	.67%	.68									
7% C, May 1, 1944	.69%	.67%	.68									
7% D, Aug. 1, 1944												
7% E, Sept. 1, 1944					0.28%	0.22%	.25		0.24%	June 28, 1944	0.79%	Oct. 15, 1943
7% F, Oct. 1, 1944					.57%	.54%	.56		.54%	June 20, 1944	.83%	Oct. 15, 1943
7% G, Dec. 1, 1944					.65%	.63%	.64		.61%	May 10, 1944	.84%	Oct. 13, 1943
7% A, Feb. 1, 1945					.73%	.71%	.72		.68%	May 11, 1944	.83%	Nov. 22, 1943
7% B, Apr. 1, 1945					.79%	.77%	.78		.73%	May 11, 1944	.81%	Mar. 21, 1944
7% C, May 1, 1945					.80%	.78%	.79		.75%	May 12, 1944	.84%	Mar. 29, 1944

\* Treasury notes:

1% C, Sept. 15, 1943  
 1% B, Dec. 15, 1943  
 1% B, Mar. 15, 1944  
 2% A, June 15, 1944  
 1% C, Sept. 15, 1944  
 3% D, Sept. 15, 1944  
 0.90% D, Mar. 1, 1945 1  
 3% A, Mar. 15, 1945  
 1% C, Mar. 15, 1945  
 3% B, Dec. 15, 1945  
 3% C, Dec. 15, 1945  
 1% A, Mar. 15, 1946  
 1% B, Dec. 15, 1946  
 1% C, Mar. 15, 1947  
 1% B, Mar. 15, 1947  
 1% A, Sept. 15, 1947  
 1% A, Sept. 15, 1948  
 7% B, Aug. 1, 1943  
 7% D, Nov. 1, 1943  
 7% E, Dec. 1, 1943  
 7% A, Feb. 1, 1944  
 7% B, Apr. 1, 1944  
 7% C, May 1, 1944  
 7% D, Aug. 1, 1944  
 7% E, Sept. 1, 1944  
 7% F, Oct. 1, 1944  
 7% G, Dec. 1, 1944  
 7% A, Feb. 1, 1945  
 7% B, Apr. 1, 1945

Certificates of indebtedness: 7



	7½% D, May 1, 1945	7½% C, June 1, 1945	.78	.77%	(5)	.79%	May 13, 1944	.75%	Sept. 25, 1941
Federal Farm Mortgage Corporation bonds:									
3¼%, Mar. 15, 1944-64 %	101.28	101.30	3.12	.54					
3%, May 15, 1944-49 %	102.04+	102.05+	2.60	.52					
Home Owners' Loan Corporation bonds:									
3½% A, May 1, 1944-52 %	102.01+	102.02+	2.74	.52					
1½% M, June 1, 1945-47 %	101.14	101.16	1.12	.73					
Reconstruction Finance Corporation notes:									
1½% V, July 15, 1943 %	0.50%	0.20%		.35					
1% W, Apr. 15, 1944 %	100.07	100.09		.68					
Federal Public Housing Authority notes:									
1½% B, Feb. 1, 1944 %	100.15	100.17		.52					
Commodity Credit Corporation notes:									
1½% G, Feb. 15, 1945 %	100.09	100.11		.93					

<sup>1</sup> Prices on June 30 are closing bid and ask quotations in the over-the-counter market as compiled by the Federal Reserve Bank of New York. Prices in the range columns are the mean of closing bid and ask quotations in the over-the-counter market except that Treasury bond prices prior to Oct. 1, 1939, are closes on the New York Stock Exchange. "When issued" prices are included in price range beginning Oct. 1, 1939. Dates of highs and lows, in case of recurrence, are the latest dates. Yields are percent per annum, computed to call date when prices are above par; to maturity date when prices are below par. For a description of each issue outstanding on June 30, 1944, and the amount outstanding, see tables 22 and 38, pp. 605 and 716, respectively. For a description of each issue outstanding on June 30, 1943, and the amount outstanding, see tables 22 and 53, pp. 547 and 656, respectively, annual report of the Secretary for 1943.

<sup>2</sup> Excludes Treasury bills.  
<sup>3</sup> Called on June 7, 1943, for redemption on Oct. 15, 1943.

<sup>4</sup> Called on Dec. 12, 1943, for redemption on Apr. 15, 1944.

\* Excludes postal savings bonds.

<sup>3</sup> Excludes Federal Housing Administration debentures and issues held entirely by Government agencies.

<sup>9</sup> Called on Mar. 2, 1944, for redemption on next coupon date.

# CONDITION OF THE TREASURY EXCLUSIVE OF PUBLIC DEBT LIABILITIES

TABLE 63.—*Current assets and liabilities of the Treasury at the close of the fiscal years 1943 and 1944*

[On basis of daily Treasury statements, see p. 519]

	1943	1944	Increase or decrease (—)
<b>GOLD</b>			
Assets: Gold	\$22,387,455,751.05	\$21,173,401,741.86	—\$1,214,054,009.19
Liabilities:			
Gold certificates <sup>1</sup>	2,872,611,179.00	2,869,436,209.00	—3,174,970.00
Gold certificate fund—Board of Governors, Federal Reserve System	17,355,271,025.68	15,783,930,886.13	—1,571,340,139.55
Redemption fund—Federal Reserve notes	53,673,826.11	410,180,308.74	356,506,482.63
Gold reserve <sup>2</sup>	156,039,430.93	156,039,430.93	—
Exchange stabilization fund	1,800,000,000.00	1,800,000,000.00	—
Gold in General Fund	149,860,289.33	153,814,907.06	3,954,617.73
Total	22,387,455,751.05	21,173,401,741.86	—1,214,054,009.19
<b>SILVER</b>			
Assets:			
Silver bullion (monetary value)	1,519,745,773.72	1,520,133,652.51	387,878.79
Silver dollars	453,449,464.00	389,449,921.00	—63,999,543.00
Total	1,973,195,237.72	1,909,583,573.51	—63,611,664.21
Liabilities:			
Silver certificates outstanding <sup>1</sup>	1,916,535,702.00	1,812,736,275.00	—103,799,427.00
Treasury notes of 1890 outstanding <sup>1</sup>	1,154,822.00	1,153,672.00	—1,150.00
Silver in General Fund	55,504,713.72	95,693,626.51	40,188,912.79
Total	1,973,195,237.72	1,909,583,573.51	—63,611,664.21
<b>GENERAL FUND</b>			
Assets:			
In Treasury offices:			
Gold (as above)	149,860,289.33	153,814,907.06	3,954,617.73
Silver:			
At monetary value (as above)	55,504,713.72	95,693,626.51	40,188,912.79
Subsidiary coin	37,742,577.95	20,892,456.40	—16,850,121.55
Bullion:			
At recoinage value	224,614.99	7,766,216.15	7,541,601.16
At cost value <sup>3</sup>	592,134,843.38	450,282,374.18	—141,852,469.20
Minor coin	4,632,113.62	9,474,746.11	4,842,632.49
United States notes	2,721,870.00	2,171,346.00	—550,524.00
Federal Reserve notes	66,526,165.00	78,788,147.50	12,261,982.50
Federal Reserve Bank notes	1,099,163.00	659,509.50	—439,653.50
National bank notes	634,020.50	472,298.00	—161,722.50
Unclassified—collections, etc	56,016,923.06	23,891,234.70	—32,125,688.36
Subtotal	967,097,291.55	843,906,862.11	—123,190,432.44
Deposits in:			
Federal Reserve Banks:			
To credit of Treasurer of the United States	885,709,011.15	1,363,851,372.71	478,142,361.56
In transit	152,346,648.84	78,028,769.04	—74,317,879.80
Subtotal	1,038,055,659.99	1,441,880,141.75	403,824,481.76
Special depositaries account of sales of Government securities	7,667,272,000.00	18,006,530,000.00	10,339,258,000.00
National and other bank depositaries (except foreign):			
To credit of Treasurer of the United States	227,764,363.56	235,433,664.11	7,669,300.55
To credit of other Government officers	167,482,374.43	163,795,640.39	—3,686,734.04
Subtotal	395,246,737.99	399,229,304.50	3,982,566.51
Foreign depositaries:			
To credit of Treasurer of the United States	51,209,181.37	12,221,722.04	—38,987,459.33
To credit of other Government officers	29,445,926.79	52,241,951.88	22,796,025.09
Subtotal	80,655,108.16	64,463,673.92	—16,191,434.24

Footnotes at end of table.

TABLE 63.—*Current assets and liabilities of the Treasury at the close of the fiscal years 1943 and 1944—Continued*

	1943	1944	Increase or decrease (—)
<b>GENERAL FUND—Continued</b>			
<b>Assets—Continued.</b>			
Deposits in—Continued.			
Philippine treasury:			
To credit of Treasurer of the United States	\$832,201.36	\$19,080,243.21	\$18,248,041.85
In transit	340.27	39.41	—300.86
Subtotal	832,541.63	19,080,282.62	18,247,740.99
Total assets, General Fund	10,149,159,342.32	20,775,090,264.90	10,625,930,922.58
<b>Liabilities:</b>			
Treasurer's checks outstanding	35,267,032.81	72,558,862.31	37,291,829.50
Deposits of Government officers:			
Post office Department	95,383,925.96	42,021,941.56	—53,361,984.40
Board of Trustees, Postal Savings System:			
5 percent reserve, lawful money	77,000,000.00	102,000,000.00	25,000,000.00
Other deposits	31,767,097.90	12,255,296.84	—19,511,801.06
Postmasters, clerks of courts, disbursing officers, etc.	321,584,881.34	334,865,002.77	13,280,121.43
Uncollected items, exchanges, etc.	81,590,478.25	42,837,539.12	—38,752,939.13
Total liabilities, General Fund	642,593,416.26	606,558,642.60	—36,034,773.66
Balance in General Fund:			
Increment resulting from reduction in weight of gold dollar	143,710,672.78	143,882,263.88	171,591.10
Seigniorage (silver) <sup>1</sup>	618,958,767.00	618,958,767.00	
Working balance	8,743,896,486.28	19,405,710,591.42	10,661,814,105.14
Subtotal	9,506,565,926.06	20,168,551,622.30	10,661,985,696.24
Total General Fund liabilities and balance	10,149,159,342.32	20,775,090,264.90	10,625,930,922.58

NOTE.—The amount to the credit of disbursing officers and certain agencies was \$18,967,486,717.19 on June 30, 1943, and \$19,432,921,597.35 on June 30, 1944.

<sup>1</sup> Does not include amounts held in Treasury offices and by Federal Reserve Banks and agents in custody for the Treasurer of the United States. See table on p. 197.

<sup>2</sup> Reserve against United States notes (\$316,681,016 in 1943 and 1944) and Treasury notes of 1890 outstanding (\$1,154,822 in 1943 and \$1,153,672 in 1944). Treasury notes of 1890 are also secured by silver dollars in the Treasury.

<sup>3</sup> 699,819,332.8 ounces and 891,792,971.3 ounces of these items of silver were held on June 30, 1943, and June 30, 1944, respectively, by the Defense Plant Corporation, etc.

<sup>4</sup> This seigniorage represents the difference between the cost value and the monetary value of silver bullion revalued and held to secure the silver certificates issued on account of silver bullion acquired under the Silver Purchase Act of 1934 and under the President's proclamation dated August 9, 1934.

TABLE 64.—*Balance in the General Fund of the Treasury at the end of each month, fiscal year 1944*<sup>1</sup>

[On basis of daily Treasury statements, see p. 519]

End of month	Balance of increment resulting from reduction in weight of gold dollar	Seigniorage <sup>2</sup>	Working balance	Total balance
1943—July	\$143,720,965.62	\$618,958,767.00	\$7,832,312,568.96	\$8,594,992,331.58
August	143,727,483.13	618,958,767.00	5,601,319,691.81	6,361,005,341.94
September	143,739,560.17	618,958,767.00	17,394,807,314.75	18,157,505,641.92
October	143,732,070.89	618,958,767.00	18,533,954,017.43	19,296,664,855.32
November	143,770,804.25	618,958,767.00	14,195,676,679.77	14,958,406,251.02
December	143,787,724.62	618,958,767.00	11,531,516,661.28	12,294,263,152.90
1944—January	143,866,305.70	618,958,767.00	11,476,006,117.94	12,238,771,190.44
February	143,816,640.38	618,958,767.00	18,392,294,516.94	19,155,069,924.32
March	143,843,270.95	618,958,767.00	15,843,616,450.43	16,606,418,488.38
April	143,849,869.92	618,958,767.00	11,516,557,885.11	12,279,366,522.03
May	143,870,691.59	618,958,767.00	7,759,324,716.44	8,522,154,175.03
June	143,882,263.88	618,958,767.00	19,405,710,591.42	20,168,551,622.30

<sup>1</sup> For monthly balances back to October 1915, see annual reports for 1930, p. 598; 1934, p. 337, and corresponding tables in subsequent reports.

<sup>2</sup> This item of seigniorage represents the difference between the cost value and the monetary value of silver bullion revalued and held to secure the silver certificates issued on account of silver acquired under the Silver Purchase Act of 1934 and under the President's proclamation dated Aug. 9, 1934.

TABLE 65.—*Assets and liabilities of the exchange stabilization fund as of June 30, 1943 and 1944*

Assets and liabilities	June 30, 1943	June 30, 1944
<b>ASSETS</b>		
Cash:		
Treasurer of the United States, gold.....	\$1, 800, 000, 000. 00	\$1, 800, 000, 000. 00
Treasurer of the United States, checking account.....	1, 580, 734. 54	1, 333, 369. 61
Federal Reserve Bank of New York, special account.....	201, 670, 431. 08	207, 139, 648. 14
Disbursing officers' balances and advance accounts.....	4, 320. 56	10, 370. 12
Total cash.....	\$2, 003, 255, 486. 18	\$2, 008, 483, 387. 87
Special accounts of Secretary of the Treasury in Federal Reserve Bank of New York: Special account No. 1, gold (Schedule 1).....	10, 500, 529. 80	21, 139, 971. 77
Due from foreign banks (foreign exchange):		
Swiss francs.....	991, 372. 25	107, 594. 92
French francs.....	17. 88	17. 88
Belgas.....	505. 06	505. 06
Sterling.....	2, 980. 05	2, 980. 05
All other.....		2, 406, 548. 84
Foreign depositories.....	419, 699. 37	686, 390. 41
Total due from foreign banks.....	1, 414, 574. 61	3, 204, 037. 16
Due from the Government of the Republic of Cuba.....	5, 012, 670. 78	5, 012, 700. 54
Investments in United States Government securities (Schedule 2).....	10, 448, 723. 13	20, 448, 723. 13
Accrued interest receivable (Schedule 2).....	9, 730. 73	12, 448. 12
Other accounts (deferred charges).....	23. 07	35. 51
Commodity sales contracts (deferred charges).....	2, 636. 00	2, 636. 00
Total assets.....	2, 030, 644, 374. 30	2, 058, 303, 940. 10
<b>LIABILITIES AND CAPITAL</b>		
Accounts payable:		
Vouchers payable.....	2, 465. 73	390. 79
Taxes withheld from salaries of employees.....	2, 277. 50	
Employees' payroll allotment account, United States savings bonds.....	532. 29	768. 66
Miscellaneous.....	4, 507. 67	9, 041. 17
Total accounts payable.....	9, 783. 19	10, 200. 62
Reserve for expenses and contingencies (net).....		10, 181, 027. 03
Capital account.....	2, 000, 000, 000. 00	2, 000, 000, 000. 00
Earnings less administrative expenses (Schedules 3 and 4).....	30, 634, 591. 11	48, 112, 712. 45
Total liabilities and capital.....	2, 030, 644, 374. 30	2, 058, 303, 940. 10

NOTE.—Annual balance sheets for the year beginning 1934 may be found in the annual report for 1940, p. 789, and in corresponding tables in subsequent reports. Quarterly balance sheets beginning December 31, 1938, may be found in the Bulletin of the Treasury Department beginning with the March 1939 issue.

TABLE 65.—*Assets and liabilities of the exchange stabilization fund as of June 30, 1943 and 1944—Continued*

## SCHEDULE 1

LOCATION OF GOLD HELD BY AND FOR ACCOUNT OF THE EXCHANGE STABILIZATION FUND <sup>1</sup>

	June 30, 1943		June 30, 1944	
	Ounces	Dollars	Ounces	Dollars
Federal Reserve Bank of New York.....	92,038.140	\$3,221,334.92	209,317.543	\$7,326,114.00
U. S. Assay Office, New York.....	207,976.990	7,279,194.88	394,681.648	13,813,857.77
Total.....	300,015.130	10,500,529.80	603,999.191	21,139,971.77

<sup>1</sup> Excludes gold held by Treasurer of the United States.

## SCHEDULE 2

## UNITED STATES GOVERNMENT SECURITIES HELD BY THE EXCHANGE STABILIZATION FUND

Issue	June 30, 1944 <sup>1</sup>			
	Face value	Cost	Average price	Accrued interest
214 Treasury bonds, 1951-53.....	\$10,000,000	\$10,000,000.00	100.0000	\$9,221.31
234 Treasury bonds, 1958-63.....	50,000	49,640.63	99.2813	56.35
234 Treasury bonds, 1960-65.....	402,000	399,082.50	99.2743	453.07
2½ Treasury bonds, 1965-70.....	10,000,000	10,000,000.00	100.0000	2,717.39
Total United States Government securities.....	20,452,000	20,448,723.13	-----	12,448.12

<sup>1</sup> Treasury bonds of 1965-70 were purchased during the fiscal year 1944. Other securities are the same as those held on June 30, 1943.

## SCHEDULE 3

## EARNINGS OF THE EXCHANGE STABILIZATION FUND

Source	January 31, 1934, through June 30, 1943	January 31, 1934, through June 30, 1944
Profits on British sterling transactions.....	\$310,638.09	\$310,638.09
Profits on French franc transactions.....	351,537.99	351,527.99
Profits on gold bullion (including profits from handling charges on gold).....	21,357,999.25	24,413,668.10
Profits on other gold and exchange transactions.....	-----	14,000,000.00
Profits on silver transactions.....	105,371.27	105,371.27
Profits on sale of silver bullion to Treasury (nationalized).....	3,473,362.29	3,473,362.29
Profits on investments.....	1,019,326.18	1,019,326.18
Interest on investments.....	3,948,439.14	4,188,586.53
Miscellaneous profits.....	497.51	744,414.21
Interest earned on foreign balances.....	123,888.59	123,888.59
Interest earned on Chinese yuan.....	1,975,317.07	1,975,317.07
Total earnings.....	32,666,377.38	50,706,110.32

## SCHEDULE 4

## ADMINISTRATIVE EXPENSES OF THE EXCHANGE STABILIZATION FUND

Classification	January 31, 1934, through June 30, 1943	January 31, 1934, through June 30, 1944
Salaries.....	\$1,393,816.42	\$1,704,201.97
Travel.....	67,018.04	75,715.10
Subsistence.....	57,431.02	66,984.46
Telephone and telegraph.....	357,835.71	392,240.50
Stationery, etc.....	19,026.27	21,140.28
All other.....	136,658.81	333,115.56
Total administrative expenses.....	2,031,786.27	2,593,397.87

TABLE 66.—*Securities other than obligations of foreign governments owned by the United States Government, June 30, 1944*

[On the basis of the face value of the securities received by the United States, with due allowance for repayments. To the extent that the securities are not held in the custody of the Treasury, the statement is made up from reports received from other Government departments and establishments]

	Authorizing act	Amount
<b>Capital stock of Government corporations:</b>		
Banks for cooperatives.....	June 16, 1933, as amended..	\$177,000,000.00
Cargoes, Incorporated.....	Jan. 22, 1932, as amended..	101,000.00
Commodity Credit Corporation.....	June 16, 1933, as amended..	100,000,000.00
Defense Homes Corporation.....	Jan. 22, 1932, as amended..	10,000,000.00
Defense Plant Corporation <sup>1</sup> .....	do.....	5,000,000.00
Defense Supplies Corporation <sup>1</sup> .....	do.....	5,000,000.00
Disaster Loan Corporation.....	Feb. 11, 1937, as amended..	24,000,000.00
Export-Import Bank of Washington <sup>2</sup> .....	June 16, 1933, as amended..	175,000,000.00
Federal Crop Insurance Corporation.....	Feb. 16, 1938.....	40,000,000.00
Federal Deposit Insurance Corporation.....	June 16, 1933, as amended..	150,000,000.00
Federal Farm Mortgage Corporation.....	Jan. 31, 1934, as amended..	100,000,000.00
Federal home loan banks <sup>1</sup> .....	July 22, 1932, as amended..	124,741,000.00
Federal intermediate credit banks.....	Mar. 4, 1923, as amended..	60,000,000.00
Federal land banks.....	July 17, 1916, as amended..	120,131,050.00
Federal National Mortgage Association, <sup>1</sup> .....	June 27, 1934, as amended..	10,000,000.00
Federal Public Housing Authority.....	Sept. 1, 1937, as amended..	1,000,000.00
Federal Savings and Loan Insurance Corporation, <sup>3</sup> .....	June 27, 1934.....	100,000,000.00
Home Owners' Loan Corporation.....	June 13, 1933, as amended..	200,000,000.00
Inland Waterways Corporation.....	June 3, 1924, as amended..	12,000,000.00
Institute of Inter-American Transportation.....	July 25, 1942.....	100,000.00
Inter-American Navigation Corporation.....	Dec. 17, 1940.....	500,000.00
Metals Reserve Company <sup>1</sup> .....	Jan. 2, 1932, as amended..	5,000,000.00
Panama Railroad Company.....	June 8, 1902.....	7,000,000.00
Production credit corporations.....	June 16, 1933, as amended..	115,000,000.00
Reconstruction Finance Corporation.....	Jan. 22, 1932, as amended..	325,000,000.00
RFC Mortgage Company, The <sup>1</sup> .....	Jan. 31, 1935, as amended..	25,000,000.00
Regional Agricultural Credit Corporation of Washington, D. C. ....	July 21, 1932, as amended..	44,500,000.00
Rubber Development Corporation <sup>4</sup> .....	Jan. 22, 1932, as amended..	100,000.00
Rubber Reserve Company <sup>1</sup> .....	do.....	5,000,000.00
Smaller War Plants Corporation.....	June 11, 1942.....	150,000,000.00
Tennessee Valley Associated Cooperatives, Inc. ....	May 21, 1933.....	1,000.00
U. S. Commercial Company <sup>1</sup> .....	Jan. 22, 1932, as amended..	5,000,000.00
U. S. Housing Corporation <sup>5</sup> .....	May 16, 1918, as amended..	1,110,892.52
U. S. Spruce Production Corporation.....	July 9, 1918, as amended..	100,000.00
War Damage Corporation <sup>1</sup> .....	Jan. 22, 1932, as amended..	1,000,000.00
Warrior River Terminal Company, Inc. <sup>6</sup> .....	June 3, 1924, as amended..	1,250,000.00
Total capital stock.....		\$2,099,634,942.52
<b>Paid-in surplus:</b>		
Federal land banks.....	May 12, 1933, as amended..	135,096,791.06
Federal National Mortgage Association, <sup>1</sup> .....	June 27, 1934, as amended..	1,000,000.00
Total paid-in surplus <sup>7</sup> .....		136,096,791.06
<b>Bonds and notes of Government corporations:</b>		
Commodity Credit Corporation.....	Mar. 8, 1938, as amended..	900,000,000.00
Federal Farm Mortgage Corporation <sup>8</sup> .....	Jan. 31, 1934, as amended..	366,000,000.00
Federal Public Housing Authority.....	Sept. 1, 1937, as amended..	398,000,000.00
Home Owners' Loan Corporation.....	June 13, 1933, as amended..	580,000,000.00
Reconstruction Finance Corporation.....	Jan. 22, 1932, as amended..	8,416,487,123.79
Tennessee Valley Authority.....	May 18, 1933, as amended..	56,772,500.00
Total bonds and notes.....		10,717,259,623.79
<b>Other securities:</b>		
Farm Credit Administration:		
Seed, feed, drought relief, and crop production loans.....	July 1, 1918, as supplemented.....	156,484,825.59
Loans from Agricultural Marketing Act revolving fund.....	June 15, 1929, as amended..	76,057,032.37
Farm Security Administration: Rural rehabilitation loans to farmers, etc. <sup>9</sup> .....	Apr. 8, 1935, as supplemented.....	402,835,734.07
Federal Security Agency: Student war loans.....	July 2, 1942.....	3,159,505.92
Federal Works Agency:		
Loans to States, municipalities, railroads, and others.....	June 16, 1933, as amended..	72,423,496.39
Community facilities.....	Oct. 14, 1940, as amended..	4,545,024.35

Footnotes at end of table.

TABLE 66.—*Securities other than obligations of foreign governments owned by the United States Government, June 30, 1944—Continued*

	Authorizing act	Amount
Other securities—Continued.		
Interior Department: Indian loans . . .	June 18, 1934, as amended . . .	\$3,064,177.06
Navy Department: Sale of surplus property (World War I). . .	July 9, 1918, as amended . . .	2,818,646.64
Puerto Rico Reconstruction Administration: Loans. . .	Apr. 8, 1935, as supplemented. . .	6,608,416.44
Rural Electrification Administration: Advances to cooperatives, States and private utilities. <sup>10</sup> . . .	do. . . . .	347,994,914.02
Treasury Department:		
Counties and municipalities . . . . .	July 1, 1932, as amended . . .	47,000.00
District of Columbia . . . . .	Dec. 26, 1941, as supplemented. . .	901,731.15
Federal savings and loan associations. . . . .	June 13, 1933, as amended . . .	4,726,800.00
Railroads . . . . .	Feb. 28, 1920, as amended . . .	12 24,212,377.23
Securities received by the Bureau of Internal Revenue in settlements of tax liabilities. . .	July 1, 1898, as amended . . .	37,424.26
U. S. Maritime Commission: Ship construction and reconditioning loans, ship sales notes, etc. . .	Sept. 7, 1916, as amended . . .	131,363,771.75
Total, other securities . . . . .		\$1,237,280,877.24
Total, all securities . . . . .		14,190,272,234.61
Less:		
Face amount of above securities acquired by Government corporations from corporate funds or by exchange for corporate obligations:		
Home Owners' Loan Corporation <sup>3</sup> . . . . .		100,000,000.00
Inland Waterways Corporation <sup>6</sup> . . . . .		1,250,000.00
Reconstruction Finance Corporation. <sup>11</sup> . . . . .		768,288,147.16
Adjustment—Rubber Development Corporation capital stock. <sup>4</sup> . . . . .		99,999.00
Total face amount of securities owned by the United States. . . . .		869,638,146.16
		13,320,634,088.45

Amount due the United States from the Central Branch Union Pacific Railroad on account of bonds issued (Pacific Railroad Aid Bonds Acts, approved July 1, 1862, July 2, 1864, and May 7, 1878):

Principal . . . . .	\$1,600,000.00
Interest . . . . .	1,579,195.72
Total . . . . .	3,179,195.72

<sup>1</sup> Reconstruction Finance Corporation funds.

<sup>2</sup> Reconstruction Finance Corporation funds, \$174,000,000; and appropriated funds, \$1,000,000.

<sup>3</sup> Home Owners' Loan Corporation obligations issued to the Federal Savings and Loan Insurance Corporation for capital stock subscription.

<sup>4</sup> Par value of stock issued and outstanding is \$100,000, but is carried at \$1 on the books of Reconstruction Finance Corporation.

<sup>5</sup> The balance of the amount paid in by the United States on outstanding stock is \$25,193,810.52, in addition to \$8,535,254.57 reflected as paid-in surplus. Above amount represents net amount of assets available to liquidate such stock.

<sup>6</sup> Warrior River Terminal Company, Inc., is a wholly owned subsidiary of Inland Waterways Corporation.

<sup>7</sup> Exclusive of net payments from the Treasury, authorized by law, for which no formal receipts or other evidences of payment are held by the Secretary of the Treasury in the following corporations:

Cargoes, Incorporated . . . . .	\$2,191,521.98
Commodity Credit Corporation . . . . .	143,950,523.60
Defense Supplies Corporation . . . . .	21,665,642.50
Federal Public Housing Authority . . . . .	140,750,650.00
Inland Waterways Corporation . . . . .	10,460,756.46
Institute of Inter-American Transportation . . . . .	5,000,000.00
Regional Agricultural Credit Corporation of Washington, D. C. . . . .	20,721,756.60
Tennessee Valley Associated Cooperatives, Inc. . . . .	290,486.50

Total . . . . . 345,031,337.64

<sup>8</sup> Includes \$1,000,000 in transit for redemption.

<sup>9</sup> Includes Reconstruction Finance Corporation funds amounting to \$175,013,876.01.

<sup>10</sup> Includes Reconstruction Finance Corporation funds amounting to \$232,533,270.15.

<sup>11</sup> For securities purchased with Reconstruction Finance Corporation funds, see footnotes 1, 2, 4, 8, and 9.

<sup>12</sup> Excludes \$4,485,600 face amount of certain loans of carriers whose assets have been completely liquidated.

TABLE 67.—Principal of the funded and unfunded indebtedness of foreign governments to the United States, the accrued and unpaid interest thereon, and payments on account of principal and interest, as of November 15, 1944

Country	Total indebtedness (payments on principal deducted)	Total payments received	Funded indebtedness				Unfunded indebtedness			
			Indebtedness		Payments on account		Indebtedness		Payments on account <sup>1</sup>	
			Principal (net)	Accrued Interest	Principal	Interest	Principal (net)	Accrued interest	Principal	Interest
Armenia	\$26,793,083.46	\$52,191,273.24	\$400,680,000.00	\$94,583,077.60	\$17,100,000.00	\$14,490,000.00	\$11,959,917.49	\$14,833,165.97	\$2,057,630.37	\$18,543,642.87
Belgium	495,263,077.60	12,286,751.38							10,000,000.00	2,286,751.38
Cuba		20,134,092.26	165,241,108.90	5,243,741.41	19,829,914.17					
Czechoslovakia	3,170,484,890.31	1,248,432.07	16,466,012.87	7,453,157.94		1,246,990.19				1,441.88
Estonia	3,23,919,170.81	6,001,995.43	7,941,403.92	7,763,396.23	1,038,596.08	5,234,084.10				309,315.27
Finland	8,704,800.15									
France	4,529,589,934.38	486,075,891.00	3,863,650,000.00	665,938,934.38	161,356,000.00	38,650,000.00			64,689,588.18	221,386,302.82
Germany (Austrian indebtedness) <sup>2</sup>	26,024,539.59	862,668.00	25,980,480.66	44,058.93						
Great Britain	6,263,764,782.58	2,024,848,817.09	4,368,000,000.00	1,895,764,782.58	232,000,000.00	1,232,770,518.42	202,181,641.56	357,896,657.11		
Greece	36,655,615.10	4,127,056.01	31,516,000.00	5,139,615.10	981,000.00	1,983,980.00			2,922.67	1,159,153.34
Hungary	3,674,567.89	556,919.76	1,908,560.00	766,007.89	73,995.50	482,171.22				753.04
Italy	2,047,231,659.34	100,829,880.16	2,004,900,000.00	42,331,659.34	37,100,000.00	5,766,708.26	364,319.28	57,598,852.62		
Latvia	39,875,762.05	761,549.07	6,879,464.20	2,996,297.85	9,200.00	621,520.12				130,828.95
Lithuania		36,471.56							26,000.00	10,471.56
Nicaragua <sup>6</sup>	3,848,573.28	1,237,956.58	6,197,682.00	2,650,891.28	234,783.00	1,001,626.61			141,950.36	1,546.97
Poland	290,332,204.20	22,046,297.55	266,057,000.00	93,275,204.20	1,287,297.37	19,310,775.90				26,625.48
Romania	473,111,160.13	74,791,007.22	63,860,560.43	9,250,599.70	2,700,000.00	29,061.46				2,048,224.28
Russia	443,142,416.83	8,750,311.88							1,798,632.02	263,313.74
Slovenia										
Yugoslavia	63,088,568.78	2,588,771.69	61,625,000.00	1,463,593.78	1,225,000.00		192,601,297.37	250,541,119.46		8,750,311.88
Total	14,528,504,791.48	2,750,744,718.01	11,230,903,272.98	\$2,827,666,018.21	475,812,454.12	1,321,587,436.28	204,561,214.86	265,374,285.43	281,990,396.99	671,354,430.62

<sup>1</sup> Payments of governments which have funded were made prior to the date of the funding agreements.

<sup>2</sup> Differences between principal of funded indebtedness and amounts here stated represent deferred payments provided for in the funding agreements, for which "bonds" of the respective debtor governments have been or will be delivered to the Treasury.

<sup>3</sup> Increase over amount funded due to exercise of options with respect to the payment of interest due on original issue of bonds of debtor governments.

<sup>4</sup> The German Government has been notified that the Government of the United States will look to the German Government for the discharge of this indebtedness of the Government of Austria to the Government of the United States.

<sup>5</sup> Includes additional bonds aggregating \$3,489,482.75 received July 23, 1937, in exchange for bonds aggregating \$1,207,742 and annuities aggregating \$69,534.46, payable on Jan. 1, 1933, 1934, and 1935, but postponed as provided by agreements of May 8, 1930, and Sept. 14, 1932.

<sup>6</sup> The United States held obligations in the principal amount of \$289,898.78, which, together with accrued interest thereon, were canceled on Oct. 6, 1939, pursuant to agreement of Apr. 14, 1938, between the United States and the Republic of Nicaragua, ratified by the United States Senate on June 13, 1938.

<sup>7</sup> Does not include payment of \$100,000 by Rumanian Government on June 15, 1940, which was made as "a token of its good faith and of its real desire to reach a new agreement covering" Rumania's indebtedness to the United States.

<sup>8</sup> Represents proceeds of liquidation of financial affairs of the Russian Government in this country. (Copies of letter dated May 23, 1922, from the Secretary of State and of reply of the Secretary of the Treasury dated June 2, 1922, in regard to loans to the Russian Government and liquidation of affairs of the latter in this country appear in the Annual Report of the Secretary of the Treasury for 1922, as exhibit 79, p. 283, and in the combined annual reports of the World War Foreign Debt Commission as exhibit 2, p. 84.)

<sup>9</sup> Includes balances of amounts postponed under provisions of joint resolution of Dec. 23, 1931. (For amounts postponed see p. 35 of Annual Report of the Secretary of the Treasury for 1932.)



TABLE 68.—Principal of the funded and unfunded indebtedness of foreign governments to the United States, the accrued and unpaid interest thereon, and payments on account of principal and interest, as of November 15 of each year from 1928 through 1944

Year	Total indebtedness (payments on principal deducted)	Total payments received	Funded indebtedness				Unfunded indebtedness			
			Indebtedness		Payments on account		Indebtedness		Payments on account <sup>1</sup>	
			Principal (net)	Accrued interest <sup>2</sup>	Principal	Interest	Principal (net)	Accrued interest	Principal	Interest
1928	\$11,853,406,768.55	\$1,963,023,654.25	\$11,462,200,951.00	\$28,704,278.81	\$152,552,048.00	\$764,546,559.35	\$243,907,551.77	\$118,533,986.97	\$303,267,052.84	\$742,657,994.06
1929	11,829,755,777.51	2,162,605,203.58	11,455,772,818.00	32,541,624.26	191,565,786.00	904,763,750.32	229,466,727.85	111,974,007.40	303,269,975.51	763,005,691.75
1930	11,641,264,883.62	2,391,993,341.97	11,279,990,878.50	34,206,294.13	391,962,610.50	1,046,687,129.58	204,851,812.85	122,215,868.14	281,989,667.78	671,353,934.11
1931	11,598,501,461.42	2,627,580,897.72	11,232,604,719.57	28,572,000.00	443,310,743.87	1,230,926,551.96	204,851,842.85	132,472,899.00	281,989,667.78	671,353,934.11
1932	11,793,172,630.78	2,627,580,897.72	11,261,176,719.57	184,440,108.36	443,310,743.87	1,230,926,551.96	204,851,842.85	142,703,960.00	281,989,667.78	671,353,934.11
1933	11,888,508,973.91	2,737,707,104.88	11,229,429,605.40	301,236,727.54	475,057,858.04	1,309,305,832.24	204,851,113.64	152,991,527.33	281,990,396.99	671,352,997.61
1934	12,102,962,275.61	2,747,041,165.88	11,229,212,445.44	505,668,208.95	475,275,018.00	1,318,422,753.28	204,851,113.64	163,230,507.58	281,990,396.99	671,352,997.61
1935	12,328,920,509.67	2,747,436,589.89	11,229,145,735.91	721,489,130.85	475,341,727.53	1,318,750,034.75	204,851,113.64	173,473,529.27	281,990,396.99	671,354,430.62
1936	12,556,828,068.35	2,748,180,030.39	11,231,232,007.83	1,156,141,124.08	475,483,719.27	1,319,745,942.01	204,851,113.64	183,971,882.69	281,990,396.99	671,354,430.62
1937	12,786,196,128.24	2,748,574,488.89	11,231,232,007.83	1,372,121,903.50	475,558,068.85	1,320,346,858.58	204,851,113.64	193,971,882.69	281,990,396.99	671,354,430.62
1938	13,011,846,749.58	2,749,249,727.71	11,231,157,710.25	1,587,414,511.64	475,634,326.34	1,321,104,844.03	204,851,113.64	204,005,920.97	281,990,396.99	671,354,430.62
1939	13,237,290,908.97	2,749,663,012.53	11,231,081,290.76	1,803,449,141.64	475,714,256.21	1,321,104,844.03	204,851,113.64	214,233,981.71	281,990,396.99	671,354,430.62
1940	13,463,473,869.84	2,750,163,927.85	11,231,001,470.89	2,060,112,731.45	475,714,256.21	1,321,104,844.03	204,851,113.64	224,462,042.45	281,990,396.99	671,354,430.62
1941	13,730,863,320.39	2,750,173,756.01	11,231,001,470.89	2,315,699,543.69	475,714,256.21	1,321,134,328.51	204,851,113.64	234,690,103.19	281,990,396.99	671,354,430.62
1942	13,996,180,383.37	2,750,183,412.33	11,231,001,470.89	2,570,031,255.51	475,721,101.07	1,321,296,429.21	204,851,113.64	244,918,163.93	281,990,396.99	671,354,430.62
1943	14,260,733,321.07	2,750,362,357.89	11,230,994,626.03	2,827,096,018.21	475,812,454.12	1,321,587,436.28	204,851,113.64	255,146,224.67	281,990,396.99	671,354,430.62
1944	14,528,504,791.48	2,750,744,718.01	11,230,903,272.98	2,827,096,018.21	475,812,454.12	1,321,587,436.28	204,851,113.64	265,374,285.43	281,990,396.99	671,354,430.62

<sup>1</sup> Payments of governments which have funded were made prior to the dates of the funding agreements.<sup>2</sup> Includes balances of amounts postponed under provisions of joint resolution of Dec. 23, 1931 (for amounts postponed see p. 35 of Annual Report of the Secretary of the Treasury for 1932).<sup>3</sup> Does not include payment of \$100,000 by Rumanian Government on June 15, 1940, which was made as "a token of its good faith and of its real desire to reach a new agreement covering" Rumania's indebtedness to the United States.

# TRUST AND SPECIAL FUNDS FOR WHICH INVESTMENTS ARE MADE BY THE TREASURY DEPARTMENT

TABLE 69.—*Adjusted service certificate fund, June 30, 1944*

[On basis of daily Treasury statements, see p. 519. This trust fund was established in accordance with the provisions of the act of May 19, 1924 (43 Stat. 128). For further details see annual report of the Secretary for 1941, p. 135]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative to June 30, 1943	Increase or decrease (—), fiscal year 1944	Cumulative to June 30, 1944
<b>Receipts:</b>			
Appropriations.....	\$3,636,157,956.40	(1)	\$3,636,157,956.40
Interest on loans and investments.....	133,265,264.58	\$748,591.40	134,013,855.98
Total receipts.....	3,769,423,220.98	748,591.40	3,770,171,812.38
<b>Expenditures:</b>			
Payments under Adjusted Compensation Payment Act, 1936, enacted Jan. 27, 1936:			
Adjusted service bonds.....	1,841,294,900.00	1,379,800.00	1,842,674,700.00
Adjusted service bonds (Government life insurance fund series).....	500,157,956.40		500,157,956.40
Checks for amounts less than \$50.....	83,587,896.00	41,268.04	83,629,164.04
Checks paid by Treasurer of the United States other than in final settlement of certificates under the Adjusted Compensation Payment Act, 1936, less credits on account of repayments of loans.....	1,325,970,947.81	181,616.53	1,326,152,564.34
Total expenditures.....	3,751,011,700.21	1,602,684.57	3,752,614,384.78
Balance.....	18,411,520.77	—854,093.17	17,557,427.60

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1943	Increase or decrease (—), fiscal year 1944	June 30, 1944
<b>Investments:</b>			
4% special Treasury certificates of indebtedness, adjusted service certificate fund series:			
Maturing Jan. 1, 1944.....	\$18,268,000.00	—\$18,268,000.00	
Maturing Jan. 1, 1945.....		16,890,000.00	\$16,890,000.00
Total investments.....	18,268,000.00	—1,378,000.00	16,890,000.00
<b>Unexpended balances:</b>			
To credit of disbursing officers.....	131,120.44	514,614.18	645,734.62
On books of the Division of Bookkeeping and Warrants.....	2 12,400.33	9,292.65	3 21,692.98
Total assets.....	18,411,520.77	—854,093.17	17,557,427.60

<sup>1</sup> Appropriation of \$9,000,000, immediately available, contained in Independent Offices Appropriation Act for 1945, approved June 27, 1944, not credited until July 1944.

<sup>2</sup> Excludes \$307.55 representing deposit of repayments in transit.

<sup>3</sup> Excludes \$141.50 representing deposit of repayments in transit.

TABLE 70.—*Ainsworth Library fund, Walter Reed General Hospital, June 30, 1944*

[This trust fund was established in accordance with the provisions of the joint resolution of Congress approved May 23, 1935 (49 Stat. 287). For further details see annual report of the Secretary for 1941, p. 154]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative through June 30, 1943	Increase, fiscal year 1944	Cumulative through June 30, 1944
Receipts:			
Bequest of Maj. Gen. Fred C. Ainsworth.....	\$10,700.00		\$10,700.00
Earnings on investments.....	1,795.65	\$278.87	2,074.52
Total receipts.....	12,495.65	278.87	12,774.52
Expenditures.....	2,379.70	114.88	2,494.58
Balance.....	10,115.95	163.99	10,279.94

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1943	Increase, fiscal year 1944	June 30, 1944
Investments:			
2½% Treasury bonds of 1955-60 (par value \$9,700)...	\$9,972.81		\$9,972.81
Unexpended balance on books of the Division of Book- keeping and Warrants.....	143.14	\$163.99	307.13
Total.....	10,115.95	163.99	10,279.94

TABLE 71.—*Alaska Railroad retirement and disability fund, June 30, 1944*

[On basis of daily Treasury statements, see p. 519. This trust fund was established in accordance with the provisions of sec. 9 of the act of June 29, 1936 (49 Stat. 2022). For further details see annual report of the Secretary for 1941, p. 139]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative through June 30, 1943	Increase, fiscal year 1944	Cumulative through June 30, 1944
Receipts:			
On account of deductions from basic compensation of employees subject to retirement act.....	\$916,976.05	\$171,531.06	\$1,088,507.11
Transferred from civil service retirement and disa- bility fund:			
On account of deductions.....	30,980.06		30,980.06
Accrued interest on deductions.....	2,170.16		2,170.16
Total.....	33,150.22		33,150.22
Appropriations.....	1,050,000.00	175,000.00	1,225,000.00
Interest and profits on investments.....	207,767.17	67,757.37	275,524.54
Total receipts.....	2,207,893.44	414,288.43	2,622,181.87
Expenditures:			
Annuity payments and refunds.....	597,010.53	202,562.30	799,572.83
Balance.....	1,610,882.91	211,726.13	1,822,609.04

TABLE 71.—*Alaska Railroad retirement and disability fund, June 30, 1944—Con.*

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1943	Increase or decrease (—), fiscal year 1944	June 30, 1944
Investments:			
4% special Treasury notes, Alaska Railroad retirement fund series, maturing:			
June 30, 1944	\$196,000.00	—\$196,000.00	
June 30, 1945	229,000.00		\$229,000.00
June 30, 1946	328,000.00		328,000.00
June 30, 1947	547,000.00		547,000.00
June 30, 1948	252,000.00	200,000.00	452,000.00
June 30, 1949		199,000.00	199,000.00
Total investments	1,552,000.00	203,000.00	1,755,000.00
Unexpended balances:			
To credit of disbursing officers	45,254.84	7,320.07	52,574.91
On books of the Division of Bookkeeping and Warrants	13,628.07	1,406.06	15,034.13
Total assets	1,610,882.91	211,726.13	1,822,609.04

TABLE 72.—*Canal Zone retirement and disability fund, June 30, 1944*

[On basis of daily Treasury statements, see p. 519. This trust fund was established in accordance with the provisions of sec. 10 of the act of Mar. 2, 1931 (46 Stat. 1477). For further details see annual report of the Secretary for 1941, p. 137]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative through June 30, 1943	Increase, fiscal year 1944	Cumulative through June 30, 1944
Receipts:			
On account of deductions from basic compensation and service credit payments of employees subject to retirement act	<sup>1</sup> \$7,909,411.28	\$1,258,789.80	<sup>1</sup> \$9,168,201.08
On account of voluntary contributions	14,199.39	19,510.93	33,710.32
Total	7,923,610.67	1,278,300.73	9,201,911.40
Transfers from civil service retirement and disability fund:			
On account of deductions	1,314,724.36		1,314,724.36
Accrued interest on deductions	153,076.58		153,076.58
Total	1,467,800.94		1,467,800.94
Appropriations	6,031,000.00	1,177,000.00	7,208,000.00
Interest and profits on investments	1,828,672.82	361,964.22	2,190,637.04
Total receipts	17,251,084.43	2,817,264.95	20,068,349.38
Expenditures:			
Annuity payments and refunds	9,003,131.83	1,470,590.25	10,473,722.08
Balance	8,247,952.60	1,346,674.70	9,594,627.30

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1943	Increase or decrease (—), fiscal year 1944	June 30, 1944
Investments:			
4% special Treasury notes, Canal Zone retirement fund series, maturing:			
June 30, 1944	\$624,000.00	—\$624,000.00	
June 30, 1945	1,328,000.00		\$1,328,000.00
June 30, 1946	3,481,000.00		3,481,000.00
June 30, 1947	1,834,000.00		1,834,000.00
June 30, 1948	693,000.00	1,177,000.00	1,870,000.00
June 30, 1949		656,000.00	656,000.00
3% special Treasury notes, Canal Zone retirement fund series, maturing:			
June 30, 1948		18,000.00	18,000.00
Total investments	7,960,000.00	1,227,000.00	9,187,000.00
Unexpended balances:			
To credit of disbursing officer	263,117.32	36,650.71	299,768.03
On books of the Division of Bookkeeping and Warrants	24,835.28	83,023.99	<sup>2</sup> 107,859.27
Total assets	8,247,952.60	1,346,674.70	9,594,627.30

<sup>1</sup> Includes payment from Panama Railroad Co. of \$355,984 for the fiscal year 1941.

<sup>2</sup> Excludes \$293.41 representing deposit in transit.

TABLE 73.—*Civil service retirement and disability fund, June 30, 1944*

[On basis of daily Treasury statements, see p. 519. This trust fund was established in accordance with the provisions of the act of May 22, 1920 (41 Stat. 614). For further details see annual report of the Secretary for 1941, p. 136]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative to June 30, 1943	Increase, fiscal year 1944	Cumulative to June 30, 1944
<b>Receipts:</b>			
On account of deductions from basic compensation and service credit payments of employees subject to retirement act <sup>1</sup>	\$902,365,928.53	\$266,468,714.09	\$1,168,834,642.62
On account of voluntary contributions	1,830,200.00	687,075.00	2,517,275.00
Appropriations	766,751,167.00	<sup>2</sup> 175,983,037.00	942,734,204.00
Interest and profits on investments	245,393,808.71	52,767,637.64	298,161,446.35
<b>Total receipts</b>	<b>1,916,341,104.24</b>	<b>495,916,463.73</b>	<b>2,412,257,567.97</b>
<b>Expenditures:</b>			
Annuity payments and refunds	834,444,949.30	100,472,326.62	934,917,275.92
Transfers to Canal Zone retirement and disability fund:			
On account of deductions	1,314,724.36		1,314,724.36
Accrued interest on deductions	153,076.58		153,076.58
<b>Total</b>	<b>1,467,800.94</b>		<b>1,467,800.94</b>
Transfers to Alaska Railroad retirement and disability fund:			
On account of deductions	30,980.06		30,980.06
Accrued interest on deductions	2,170.16		2,170.16
<b>Total</b>	<b>33,150.22</b>		<b>33,150.22</b>
Transfers to policemen's and firemen's relief fund, D. C.:			
On account of deductions	26,428.21	3,118.95	29,547.16
Accrued interest on deductions	11,671.46	1,260.97	12,932.43
<b>Total</b>	<b>38,099.67</b>	<b>4,379.92</b>	<b>42,479.59</b>
<b>Total expenditures</b>	<b>835,984,000.13</b>	<b>100,476,706.54</b>	<b>936,460,706.67</b>
<b>Balance</b>	<b>1,080,357,104.11</b>	<b>395,439,757.19</b>	<b>1,475,796,861.30</b>

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1943	Increase or decrease (—), fiscal year 1944	June 30, 1944
<b>Investments:</b>			
4% special Treasury notes, civil service retirement fund series, maturing:			
June 30, 1944	\$125,400,000.00	—\$125,400,000.00	
June 30, 1945	151,400,000.00		\$151,400,000.00
June 30, 1946	210,700,000.00		210,700,000.00
June 30, 1947	391,400,000.00		391,400,000.00
June 30, 1948	180,000,000.00	339,500,000.00	519,500,000.00
June 30, 1949		176,000,000.00	176,000,000.00
3% special Treasury notes, civil service retirement fund series, maturing:			
June 30, 1945	437,000.00	—109,000.00	328,000.00
June 30, 1946	415,000.00		415,000.00
June 30, 1947	510,000.00		510,000.00
June 30, 1948	59,000.00	554,000.00	613,000.00
June 30, 1949		47,000.00	47,000.00
<b>Total investments</b>	<b>1,060,321,000.00</b>	<b>390,592,000.00</b>	<b>1,450,913,000.00</b>
<b>Unexpended balances:</b>			
To credit of disbursing officers	9,313,180.62	6,747,845.68	16,061,026.30
On books of the Division of Bookkeeping and Warrants	<sup>3</sup> 10,722,923.49	—1,900,088.49	<sup>4</sup> 8,822,835.00
<b>Total assets</b>	<b>1,080,357,104.11</b>	<b>395,439,757.19</b>	<b>1,475,796,861.30</b>

<sup>1</sup> Under Public Law 411, approved Jan. 24, 1942, it was provided that after June 30, 1942, there would be deducted and withheld from the basic salary, pay, or compensation of any officer or employee to whom the Civil Service Retirement Act applies a sum equal to 5 per centum of such officer's or employee's basic salary, pay, or compensation in lieu of the 3½ per centum deduction previously in effect.

<sup>2</sup> Comprises \$175,104,000 appropriated from the General Fund to cover the liability of the United States and \$889,037, appropriated from the revenues of the District of Columbia to cover its liability in connection with the financing of the fund.

<sup>3</sup> Does not include \$2,154,957.66 representing July prior deposits appropriated as of June 30, 1943.

<sup>4</sup> Does not include \$4,390,330.49 representing July prior deposits appropriated as of June 30, 1944, and also a deposit of repayment of \$60 effected in the daily Treasury statement for July 1944.

TABLE 74.—*District of Columbia teachers' retirement fund—Assets held by the Treasury Department, June 30, 1944*

[This trust fund was established in accordance with the provisions of the act of Jan. 15, 1920 (41 Stat. 387)  
For further details see annual report of the Secretary for 1941, p. 140]

	June 30, 1943	Increase or decrease (—), fiscal year 1944	June 30, 1944	
	Deductions fund			
Investments:				
Government securities:				
Treasury bonds:	<i>Principal cost</i>		<i>Par value</i>	<i>Principal cost</i>
4% of 1944-54	\$123,387.50	—\$123,387.50		
3¾% of 1946-56	87,437.81		\$87,000.00	\$87,437.81
4¼% of 1947-52	956,962.07		860,200.00	956,962.07
2% of 1948-50	40,000.00		40,000.00	40,000.00
2¾% of 1951-54	79,382.19		77,000.00	79,382.19
2½% of 1952-54	276,000.00		276,000.00	276,000.00
2¼% of 1954-56	502,000.00		502,000.00	502,000.00
2¾% of 1955-60	1,927,412.21		1,896,850.00	1,927,412.21
2¾% of 1956-59	107,920.63		105,000.00	107,920.63
2½% of 1956-58	49,100.31		47,000.00	49,100.31
2¾% of 1958-63	300,245.94		293,000.00	300,245.94
2¾% of 1960-65	483,302.82		458,000.00	483,302.82
2½% of 1965-70		125,000.00	125,000.00	125,000.00
2½% of 1967-72	179,000.00		179,000.00	179,000.00
2½% of 1964-69	475,998.75	959,000.00	1,434,000.00	1,434,998.75
United States savings bonds:				
2½%, Series G	250,000.00	100,000.00	350,000.00	350,000.00
Total, Government securities	5,838,150.23	1,060,612.50	6,730,050.00	6,898,762.73
Government-guaranteed securities:				
3½% Federal Farm Mortgage Corporation bonds of 1944-64	73,785.00	—73,785.00		
Other securities:				
3% consolidated Federal farm loan bonds of:				
1945-55	173,460.00	—173,460.00		
1946-56	534,630.00	—534,630.00		
4½% Philippine Islands bonds	197,669.56		182,000.00	197,669.56
4½% Puerto Rican bonds	15,962.57		16,000.00	15,962.57
Total other securities	921,722.13	—708,090.00	198,000.00	213,632.13
Total investments	6,833,657.36	278,737.50	6,928,050.00	7,112,394.86
Unexpended balances:				
To credit of disbursing officers	19,529.29	—10,267.21		9,262.08
On books of the Division of Bookkeeping and Warrants	92,493.05	85,213.17		177,706.22
Total assets	6,945,679.70	353,683.46		7,299,363.16

TABLE 74.—*District of Columbia teachers' retirement fund—Assets held by the Treasury Department, June 30, 1944—Continued*

[This trust fund was established in accordance with the provisions of the act of Jan. 15, 1920 (41 Stat. 387). For further details see annual report of the Secretary for 1941, p. 140]

	June 30, 1943	Increase or decrease (—), fiscal year 1944	June 30, 1944	
	Government reserve fund			
Investments:				
Government securities:				
Treasury bonds:	<i>Principal cost</i>		<i>Par value</i>	<i>Principal cost</i>
4% of 1944-54.....	\$12,285.00	—\$12,285.00		
3½% of 1946-56.....	31,145.31		\$31,000.00	\$31,145.31
4¼% of 1947-52.....	313,717.51		282,000.00	313,717.51
2% of 1948-50.....	25,000.00		25,000.00	25,000.00
2¾% of 1951-54.....	17,525.94		17,000.00	17,525.94
2½% of 1952-54.....	237,000.00		237,000.00	237,000.00
2½% of 1954-56.....	154,000.00		154,000.00	154,000.00
2½% of 1955-60.....	1,097,915.04		1,085,000.00	1,097,915.04
2¾% of 1956-59.....	128,283.76		126,000.00	128,283.76
2¾% of 1958-63.....	318,227.20		313,000.00	318,227.20
2¾% of 1960-65.....	249,540.32		235,000.00	249,540.32
2½% of 1964-69.....	403,722.50	344,500.00	747,500.00	748,222.50
2½% of 1965-70.....		132,000.00	132,000.00	132,000.00
2½% of 1967-72.....	162,000.00		162,000.00	162,000.00
United States savings bonds:				
2½%, Series G.....	162,500.00	41,000.00	203,500.00	203,500.00
Total Government securities.....	3,312,862.58	505,215.00	3,750,000.00	3,818,077.58
Government-guaranteed securities:				
3¼% Federal Farm Mortgage Corporation bonds of 1944-64.....	23,566.25	—23,566.25		
Other securities:				
3% consolidated Federal farm loan bonds of 1946-56.....	289,474.50	—289,474.50		
4½% Puerto Rican bonds.....	55,109.56		55,000.00	55,109.56
Total other securities.....	344,584.06	—289,474.50	55,000.00	55,109.56
Total investments.....	3,681,012.89	192,174.25	3,805,000.00	3,873,187.14
Unexpended balances:				
To credit of disbursing officers.....	94,774.83	53,101.80		147,876.63
On books of the Division of Bookkeeping and Warrants.....	95,858.29	40,812.42		136,670.71
Total assets.....	3,871,646.01	286,088.47		4,157,734.48
	Summary			
Investments:	<i>Principal cost</i>		<i>Par value</i>	<i>Principal cost</i>
Government securities.....	\$9,151,012.81	\$1,565,827.50	\$10,480,050.00	\$10,716,840.31
Government guaranteed securities.....	97,351.25	—97,351.25		
Other securities.....	1,266,306.19	—997,564.50	253,000.00	268,741.69
Total investments.....	10,514,670.25	470,911.75	10,733,050.00	10,985,582.00
Unexpended balances:				
To credit of disbursing officers.....	114,304.12	42,834.59		157,138.71
On books of the Division of Bookkeeping and Warrants.....	188,351.34	126,025.59		314,376.93
Total assets.....	10,817,325.71	639,771.93		11,457,097.64

TABLE 75.—*District of Columbia water fund—Investments held by the Treasury Department, June 30, 1944*

[These investments were made in accordance with the provisions of the act of June 29, 1937 (50 Stat. 392), and in subsequent appropriation acts for the District of Columbia. For further details see annual report of the Secretary for 1941, p. 142]

	June 30, 1943 (principal cost)	Fiscal year 1944	June 30, 1944	
			Par value	Principal cost
Investments:				
Treasury bonds:				
2½% of 1952-54 .....	\$100,000.00	-----	\$100,000.00	\$100,000.00
2¾% of 1958-63 .....	749,110.01	-----	736,000.00	749,110.01
2¾% of 1960-65 .....	987,511.56	-----	937,000.00	987,511.56
Total investments .....	1,836,621.57	-----	1,773,000.00	1,836,621.57

TABLE 76.—*District of Columbia workmen's compensation fund—Assets held by the Treasury Department, June 30, 1944*

[This trust fund was established in accordance with the provisions of the act of May 17, 1928 (45 Stat. 600) For further details see annual report of the Secretary for 1941, p. 141]

	June 30, 1943	Increase or decrease (—), fiscal year 1944	June 30, 1944	
			Par value	Principal cost
Investments:				
Government securities:				
Treasury bonds:	<i>Principal cost</i>		<i>Par value</i>	<i>Principal cost</i>
2% of 1948-50 .....	\$12,000.00	-----	\$12,000.00	\$12,000.00
2½% of 1952-54 .....	5,000.00	-----	5,000.00	5,000.00
2½% of 1955-60 .....	10,165.63	-----	10,000.00	10,165.63
2½% of 1962-67 .....	5,000.00	-----	5,000.00	5,000.00
United States savings bonds:				
2½%, Series G .....		\$11,600.00	11,600.00	11,600.00
Total Government securities .....	32,165.63	11,600.00	43,600.00	43,765.63
Other securities:				
3% consolidated Federal farm loan bonds of 1946-56 .....	10,972.50	—10,972.50	-----	-----
Total investments .....	43,138.13	627.50	43,600.00	43,765.63
Unexpended balances:				
To credit of disbursing officers .....	3,343.87	—2,150.33	-----	1,193.54
On books of the Division of Bookkeeping and Warrants .....	10,351.32	1,179.59	-----	11,530.91
Total assets .....	56,833.32	—343.24	-----	56,490.08



TABLE 77.—*Federal old-age and survivors insurance trust fund, June 30, 1944*

[On basis of daily Treasury statements, see p. 519. This trust fund, the successor to the old-age reserve account, was established in accordance with the provisions of the Social Security Act Amendments of 1939, approved Aug. 10, 1939 (53 Stat. 1362). For further details see annual report of the Secretary for 1940 p. 212]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative through June 30, 1943	Increase, fiscal year 1944	Cumulative through June 30, 1944
Receipts:			
Appropriations.....	\$4, 419, 254, 767. 80	\$1, 292, 122, 433. 67	\$5, 711, 377, 201. 47
Interest on investments.....	301, 481, 789. 35	103, 177, 087. 09	404, 658, 876. 44
Total receipts.....	4, 720, 736, 557. 15	1, 395, 299, 520. 76	6, 116, 036, 077. 91
Expenditures:			
Benefit payments and refunds.....	359, 054, 268. 57	184, 597, 363. 80	543, 651, 632. 37
Reimbursements for administrative expenses under sec. 201 (f) of the Social Security Act of 1939.....	93, 386, 305. 26	32, 607, 373. 74	125, 993, 679. 00
Total expenditures.....	452, 440, 573. 83	217, 204, 737. 54	669, 645, 311. 37
Balance.....	4, 268, 295, 983. 32	1, 178, 094, 783. 22	5, 446, 390, 766. 54

## II. ASSETS HELD IN THE TREASURY DEPARTMENT

	June 30, 1943	Increase or decrease (—), fiscal year 1944	June 30, 1944
Investments:			
Special Treasury notes:			
Federal old-age and survivors insurance trust fund:			
2½% series maturing:			
June 30, 1944.....	\$283, 000, 000. 00	—\$283, 000, 000. 00	—
June 30, 1945.....	725, 900, 000. 00		\$725, 900, 000. 00
June 30, 1946.....	319, 200, 000. 00		319, 200, 000. 00
2½% series maturing:			
June 30, 1946.....	603, 000, 000. 00		603, 000, 000. 00
2¼% series maturing:			
June 30, 1946.....	228, 000, 000. 00		228, 000, 000. 00
June 30, 1947.....	450, 400, 000. 00		450, 400, 000. 00
2½% series maturing:			
June 30, 1947.....	240, 000, 000. 00		240, 000, 000. 00
2% series maturing:			
June 30, 1947.....	459, 000, 000. 00		459, 000, 000. 00
1½% series maturing:			
June 30, 1947.....	275, 000, 000. 00	—24, 000, 000. 00	251, 000, 000. 00
June 30, 1948.....	460, 000, 000. 00	649, 000, 000. 00	1, 109, 000, 000. 00
Total special Treasury notes.....	4, 043, 500, 000. 00	342, 000, 000. 00	4, 385, 500, 000. 00
Treasury bonds:			
2½% of 1967-72.....	44, 334, 250. 00		44, 334, 250. 00
2½% of 1962-67.....	49, 000, 000. 00		49, 000, 000. 00
2½% of 1963-68.....	100, 000, 000. 00		100, 000, 000. 00
2½% of 1964-69.....		50, 000, 000. 00	50, 000, 000. 00
2½% of 1965-70.....		400, 035, 880. 00	400, 035, 880. 00
Total Treasury bonds.....	193, 334, 250. 00	450, 035, 880. 00	643, 370, 130. 00
Special Treasury certificates of indebtedness:			
1½% maturing June 30, 1945.....		380, 000, 000. 00	380, 000, 000. 00
Total investments.....	4, 236, 834, 250. 00	1, 172, 035, 880. 00	5, 408, 870, 130. 00
Unexpended balances:			
To credit of disbursing officer.....	24, 495, 372. 74	—3, 111, 018. 47	21, 384, 354. 27
On books of the Division of Bookkeeping and Warrants.....	2 6, 966, 360. 58	9, 169, 921. 69	3 16, 136, 282. 27
Total assets.....	4, 268, 295, 983. 32	1, 178, 094, 783. 22	5, 446, 390, 766. 54

<sup>1</sup> Includes \$35,880 accrued interest paid.

<sup>2</sup> Excludes \$690.59 representing deposits in transit.

<sup>3</sup> Includes \$5,793.79 adjustment to be made in fiscal year 1945.

TABLE 78.—*Railroad retirement account, June 30, 1944*

[On basis of daily Treasury statements, see p. 519. This trust account was established in accordance with the provisions of sec. 15 (a) of the act of June 24, 1937 (50 Stat. 316). For further details see annual report of the Secretary for 1941, p. 148]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative through June 30, 1943	Increase, fiscal year 1944	Cumulative through June 30, 1944
Receipts:			
Appropriations.....	\$854,151,000.00	\$262,720,000.00	\$1,116,871,000.00
Interest on investments.....	17,348,980.81	9,837,049.21	27,186,030.02
Total receipts.....	871,499,980.81	272,557,049.21	1,144,057,030.02
Expenditures:			
Annuity payments and refunds.....	676,604,432.78	134,415,832.07	811,020,264.85
Balance.....	194,895,548.03	138,141,217.14	333,036,765.17

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1943	Increase or de- crease (—), fiscal year 1944	June 30, 1944
Investments:			
3% special Treasury notes, railroad retire- ment series, maturing:			
June 30, 1947.....	\$178,000,000.00	—\$128,000,000.00	\$50,000,000.00
June 30, 1948.....		261,500,000.00	261,500,000.00
June 30, 1949.....		7,000,000.00	7,000,000.00
Total investments.....	178,000,000.00	140,500,000.00	318,500,000.00
Unexpended balances:			
To credit of disbursing officers.....	12,775,780.36	614,399.79	13,390,180.15
On books of the Division of Bookkeeping and Warrants.....	<sup>1</sup> 4,119,767.67	—2,973,182.65	<sup>2</sup> 1,146,585.02
Total assets.....	194,895,548.03	138,141,217.14	333,036,765.17

<sup>1</sup> Excludes \$77.95 representing deposit in transit.

<sup>2</sup> Excludes \$231.43 representing deposit in transit.

[On basis of daily Treasury statements, see p. 519. This trust fund was established in accordance with the provisions of sec. 904 (a) of the Social Security Act of Aug. 14, 1935 (49 Stat. 640). For further details see annual report of the Secretary for 1941, p. 145]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	State unemployment agencies				Railroad unemployment insurance account <sup>1</sup>				Total, unemployment trust fund			
	Cumulative through June 30, 1943	Increase, fiscal year 1944	Cumulative through June 30, 1944		Cumulative through June 30, 1943	Increase, fiscal year 1944	Cumulative through June 30, 1944		Cumulative through June 30, 1943	Increase, fiscal year 1944	Cumulative through June 30, 1944	
<b>Receipts:</b>												
Deposits.....	\$5,935,034,926.79	\$1,349,306,970.12	\$7,284,341,896.91		\$274,303,156.01	\$109,374,997.72	\$383,678,153.73		\$6,204,338,082.80	\$1,453,681,967.84	\$7,658,020,050.64	
Transfers from State unemployment funds to railroad unemployment insurance by the Secretary of the Treasury (July 5, 1939).....												
Transfers from railroad unemployment insurance administration fund (act of Oct. 10, 1940).....												
Subtotal.....	5,935,034,926.79	1,349,306,970.12	7,284,341,896.91		17,382,967.00	11,699,700.00	29,082,667.00		17,382,967.00	11,699,700.00	29,082,667.00	
Interest on investments.....	265,820,519.25	88,525,463.74	354,345,983.99		412,586,891.90	121,071,667.72	533,658,559.62		6,347,621,818.69	1,470,381,667.84	7,818,003,486.53	
Total receipts.....	6,200,855,446.04	1,437,832,433.86	7,638,687,885.90		15,940,119.57	8,002,294.08	23,942,414.25		281,360,638.82	96,527,764.42	377,888,403.24	
					428,127,011.47	124,076,992.40	552,204,003.87		6,628,982,437.51	1,566,909,432.26	8,195,891,882.77	
<b>Expenditures:</b>												
Withdrawals by States.....	2,092,379,840.27	59,999,500.00	2,152,379,340.27						2,692,379,840.27	59,999,500.00	2,152,379,340.27	
Transfers to railroad unemployment insurance account from State unemployment funds.....	105,900,768.89		105,900,768.89						105,900,768.89		105,900,768.89	
Repayment of advance to the Secretary of the Treasury (January 1940).....												
Subtotal.....	2,198,280,609.16	59,999,500.00	2,258,280,109.16		15,000,000.00		15,000,000.00		15,000,000.00		15,000,000.00	
Railroad unemployment benefit payments and refunds.....					15,000,000.00		15,000,000.00		2,213,280,609.16	59,999,500.00	2,273,280,109.16	
Total expenditures.....	2,198,280,609.16	59,999,500.00	2,258,280,109.16		43,242,263.68	591,283.79	43,833,547.47		43,242,263.68	591,283.79	43,833,547.47	
Balance.....	4,002,574,836.88	1,377,832,939.86	5,380,407,776.74		58,242,263.68	591,283.79	58,833,547.47		2,236,522,872.84	60,590,783.79	2,317,113,656.63	
					369,884,747.79	128,485,708.61	498,370,456.40		4,372,459,584.67	1,506,318,648.47	5,878,778,233.14	

<sup>1</sup> Railroad Unemployment Insurance Act, approved June 25, 1938.

TABLE 79.—*Unemployment trust fund, June 30, 1944—Continued*

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1943	Increase or decrease (—), fiscal year 1944	June 30, 1944
Investments:			
Special Treasury certificates of indebtedness, unemployment trust fund:			
1½% series maturing June 30, 1944.....	\$4,257,000,000.00	\$1,353,000,000.00	\$5,610,000,000.00
Treasury bonds:			
2½% of 1962-67.....	50,000,000.00	-----	50,000,000.00
2½% of 1963-68.....	40,000,000.00	-----	40,000,000.00
2½% of 1964-69.....	20,000,000.00	-----	20,000,000.00
2½% of 1965-70.....	-----	150,000,000.00	150,000,000.00
Total investments.....	4,367,000,000.00	1,503,000,000.00	5,870,000,000.00
Unexpended balances:			
Cash with the Treasurer of the United States	3,951,848.35	4,559,932.26	8,511,780.61
To credit of disbursing officers.....	1,507,736.32	—1,241,283.79	266,452.53
Total assets.....	4,372,459,584.67	1,506,318,648.47	5,878,778,233.14

## III. AMOUNTS OF UNEMPLOYMENT TRUST FUND, CUMULATIVE TO JUNE 30, 1944, CREDITED TO THE ACCOUNT OF EACH STATE AGENCY AND TO THE RAILROAD UNEMPLOYMENT INSURANCE ACCOUNT

	Total deposits	Net earnings credited to account	Total with- drawals from account	Balance June 30, 1944
Alabama.....	\$76,558,843.42	\$3,474,070.72	\$25,387,500.00	\$54,645,414.14
Alaska.....	6,741,055.82	261,612.55	1,380,378.48	5,622,289.89
Arizona.....	20,309,271.78	772,013.36	6,552,234.97	14,529,050.17
Arkansas.....	30,446,003.65	1,393,421.80	9,637,846.36	22,201,579.09
California.....	740,770,938.64	31,877,029.88	237,540,779.44	535,107,189.08
Colorado.....	38,109,283.22	2,055,549.87	12,472,040.19	27,692,792.90
Connecticut.....	160,615,000.00	8,440,077.10	30,346,996.24	138,708,080.86
Delaware.....	15,231,900.20	1,128,068.87	3,208,069.51	13,151,899.56
District of Columbia.....	47,313,451.48	3,414,768.66	10,138,229.25	40,589,990.89
Florida.....	60,120,820.77	2,370,509.24	22,703,550.60	39,787,779.41
Georgia.....	76,232,192.82	4,198,384.63	19,863,698.83	60,566,878.62
Hawaii.....	14,982,162.75	1,114,063.62	1,031,881.25	15,064,345.12
Idaho.....	17,827,097.27	644,668.98	7,421,013.78	11,050,752.47
Illinois.....	544,278,513.81	32,858,411.97	154,614,013.81	422,522,911.97
Indiana.....	192,928,491.48	9,237,547.02	58,509,592.27	143,656,446.23
Iowa.....	62,338,000.00	3,175,645.99	19,239,841.32	46,273,804.67
Kansas.....	49,619,919.67	2,619,878.91	11,851,508.29	40,388,290.29
Kentucky.....	84,168,000.00	5,438,578.85	18,892,978.21	70,713,600.64
Louisiana.....	83,776,000.00	3,461,654.09	31,664,639.06	55,513,015.03
Maine.....	40,768,700.00	1,281,283.42	14,627,337.04	27,422,646.38
Maryland.....	126,120,000.00	5,045,406.50	33,920,347.37	97,245,059.13
Massachusetts.....	284,495,000.00	15,052,528.75	113,112,725.57	186,434,803.18
Michigan.....	387,651,310.80	15,254,542.10	169,331,485.64	233,574,367.26
Minnesota.....	102,052,776.10	4,266,153.26	42,531,982.32	63,786,947.04
Mississippi.....	26,191,978.76	977,602.91	9,453,412.60	17,716,169.07
Missouri.....	149,279,668.20	9,766,175.13	34,551,464.25	124,494,379.08
Montana.....	21,727,497.20	981,216.02	9,067,604.06	13,641,109.16
Nebraska.....	26,274,135.90	1,546,893.49	7,416,585.10	20,404,444.29
Nevada.....	10,846,320.17	361,448.22	3,451,734.46	7,756,033.93
New Hampshire.....	26,002,068.01	1,269,094.13	9,548,106.20	17,723,055.94
New Jersey.....	402,632,000.00	23,458,800.95	75,628,521.02	350,462,279.93
New Mexico.....	11,270,000.00	532,331.74	4,284,544.78	7,517,786.96
New York.....	1,108,509,568.01	43,534,012.86	430,245,977.24	722,197,603.63
North Carolina.....	102,473,000.00	4,848,961.67	26,653,334.43	80,668,627.24
North Dakota.....	6,395,600.11	357,597.13	2,668,479.75	4,084,717.49
Ohio.....	434,468,574.72	28,952,207.69	85,619,005.70	377,801,776.71
Oklahoma.....	50,586,000.00	3,067,773.57	15,274,133.15	38,319,640.42
Oregon.....	69,379,374.86	2,586,645.77	19,424,892.41	52,541,128.22
Pennsylvania.....	717,025,000.00	30,192,726.82	221,498,998.97	525,718,727.85
Rhode Island.....	85,826,727.95	3,094,442.90	33,331,992.23	55,589,178.62
South Carolina.....	38,412,000.00	2,224,767.29	10,200,743.96	30,436,023.33
South Dakota.....	6,824,400.00	507,397.14	1,786,304.23	5,545,492.91
Tennessee.....	86,925,000.00	3,168,820.15	31,671,440.15	58,422,380.00
Texas.....	159,910,000.00	9,406,137.36	44,882,030.42	124,434,106.94
Utah.....	27,340,367.70	963,319.45	9,041,975.53	19,261,711.62
Vermont.....	12,691,650.88	641,613.17	3,557,074.06	9,776,189.99
Virginia.....	74,012,000.00	3,747,715.01	25,248,850.22	52,510,864.79
Washington.....	125,815,602.61	5,309,085.02	25,982,678.53	105,142,009.10
West Virginia.....	80,031,467.76	3,528,421.16	27,901,586.39	55,658,302.53

TABLE 79.—*Unemployment trust fund, June 30, 1944*—Continued

III. AMOUNTS OF UNEMPLOYMENT TRUST FUND, CUMULATIVE TO JUNE 30, 1944, CREDITED TO THE ACCOUNT OF EACH STATE AGENCY AND TO THE RAILROAD UNEMPLOYMENT INSURANCE ACCOUNT—Continued

	Total deposits	Net earnings credited to account	Total withdrawals from account	Balance June 30, 1944
Wisconsin.....	\$151,203,141.75	\$10,299,969.40	\$30,508,429.67	\$130,994,681.48
Wyoming.....	9,791,584.07	446,700.20	4,007,039.85	6,231,244.42
Total.....	7,285,699,462.34	354,487,746.49	2,258,887,609.16	5,381,299,599.67
Adjustments to daily Treasury statement basis:				
Deposits not cleared by the Treasurer of the United States.....	-1,357,565.43			-1,357,565.43
Outstanding checks.....			-607,500.00	607,500.00
Accrued interest credited to State account.....		-141,757.50		-141,757.50
Total, on basis of daily Treasury statements.....	7,284,341,896.91	354,345,988.99	2,258,280,109.16	5,380,407,776.74
Railroad unemployment insurance account:				
Deposits of Railroad Retirement Board.....	383,680,211.69			383,680,211.69
Transfers from State unemployment funds.....	105,900,768.89			105,900,768.89
Interest on investments.....		23,554,122.54		23,554,122.54
Transfers to chief disbursing officer.....			44,100,000.00	-44,100,000.00
Appropriation advance and repayment.....	15,000,000.00		15,000,000.00	
Transfers from administration fund.....	29,082,667.00			29,082,667.00
Total.....	533,663,647.58	23,554,122.54	59,100,000.00	498,117,770.12
Adjustments to daily Treasury statement basis:				
Deposits not cleared by the Treasurer of the United States.....	-2,057.96			-2,057.96
Accrued interest credited to insurance account.....		-11,708.29		-11,708.29
Cash with disbursing officers.....			-266,452.53	266,452.53
Total on basis of daily Treasury statements.....	533,661,589.62	23,542,414.25	58,833,547.47	498,370,456.40
Total unemployment trust fund, as shown in the daily Treasury statement.....	7,818,003,486.53	377,888,403.24	2,317,113,656.63	5,878,778,233.14

TABLE 80.—*Foreign service retirement and disability fund, June 30, 1944*

[On basis of daily Treasury statements, see p. 519. This trust fund was established in accordance with the provisions of sec. 18 of the act of May 24, 1924 (43 Stat. 144). For further details see annual report of the Secretary for 1941, p. 138]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative through June 30, 1943	Increase, fiscal year 1944	Cumulative through June 30, 1944
Receipts:			
On account of deductions from basic compensation and service credit payments of employees subject to retirement act.....	\$3,879,006.44	\$272,297.37	\$4,151,303.81
Appropriations.....	4,512,000.00	865,600.00	5,377,600.00
Interest and profits on investments.....	1,822,897.95	277,847.96	2,100,745.91
Total receipts.....	10,213,904.39	1,415,745.33	11,629,649.72
Expenditures:			
Annuity payments and refunds.....	4,032,467.97	512,641.60	4,545,109.57
Balance.....	6,181,436.42	903,103.73	7,084,540.15

TABLE 80.—*Foreign service retirement and disability fund, June 30, 1944—Con.*

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1943	Increase or decrease (—), fiscal year 1944	June 30, 1944
Investments:			
4% special Treasury notes, foreign service retirement fund series, maturing:			
June 30, 1944.....	\$872,000.00	—\$872,000.00	
June 30, 1945.....	1,602,000.00		\$1,602,000.00
June 30, 1946.....	1,437,000.00		1,437,000.00
June 30, 1947.....	1,606,000.00		1,606,000.00
June 30, 1948.....	598,000.00	1,040,000.00	1,638,000.00
June 30, 1949.....		729,000.00	729,000.00
Total investments.....	6,115,000.00	897,000.00	7,012,000.00
Unexpended balances:			
To credit of disbursing officers.....	61,348.39	2,348.13	63,696.52
On books of the Division of Bookkeeping and Warrants.....	5,088.03	3,755.60	18,843.63
Total assets.....	6,181,436.42	903,103.73	7,084,540.15

<sup>1</sup> Exclusive of \$32.50 representing deposits in transit.

TABLE 81.—*Library of Congress trust fund, June 30, 1944*

[This trust fund was established in accordance with the provisions of the act of Mar. 3, 1925 (43 Stat. 1107). For further details see annual report of the Secretary for 1941, p. 149]

I. ASSETS HELD BY THE TREASURY DEPARTMENT AND CERTAIN FEDERAL RESERVE BANKS, SUBJECT TO THE ORDER OF THE SECRETARY OF THE TREASURY, FOR ACCOUNT OF THE LIBRARY OF CONGRESS TRUST FUND BOARD <sup>1</sup>

	June 30, 1943	Increase or decrease (—), fiscal year 1944	June 30, 1944
Investments:			
<i>William E. Benjamin donation</i>			
1,352 shares, common stock, Standard Oil Co. of California.....	\$33,800.00		\$33,800.00
<i>R. R. Bowler donation</i>			
7% German external loan bonds, German Government.....	2,000.00		2,000.00
6½% sinking fund gold bonds, Japanese Government.....	2,000.00		2,000.00
48 shares, common stock, American Telephone & Telegraph Co.....	4,800.00		4,800.00
<i>Carnegie donation</i>			
5% first and refunding mortgage bonds, Missouri Pacific R. R. Co.....	5,000.00		5,000.00
<i>Elizabeth Sprague Coolidge donation</i>			
5% first mortgage bonds, Chicago Railways Co.....	3,750.00		3,750.00
5% first and refunding mortgage bonds, Missouri Pacific R. R. Co.....	2,000.00		2,000.00
100 shares, common stock, American Ship Building Co.....	6,000.00		6,000.00
171 shares, common stock, American Telephone & Telegraph Co.....	17,100.00		17,100.00
7 shares, common stock, Board of Trade Building Trust of Boston.....	700.00		700.00
496 shares, common stock, Commonwealth Edison Co.....	12,400.00		12,400.00
<i>Friends of Music in the Library of Congress donation</i>			
4½% debenture bonds, Pennsylvania R. R. Co.....	2,000.00		2,000.00
10 shares, stock, Washington Gas Light Co.....	150.00		150.00
<i>Archer M. Huntington donation</i>			
5% first and refunding mortgage bonds, Missouri Pacific R. R. Co.....	49,500.00		49,500.00

Footnotes at end of table.

TABLE 81.—*Library of Congress trust fund, June 30, 1944—Continued*

I. ASSETS HELD BY THE TREASURY DEPARTMENT AND CERTAIN FEDERAL RESERVE BANKS SUBJECT TO THE ORDER OF THE SECRETARY OF THE TREASURY, FOR ACCOUNT OF THE LIBRARY OF CONGRESS TRUST FUND BOARD<sup>1</sup>—Continued

	June 30, 1943	Increase or decrease (—), fiscal year 1944	June 30, 1944
<i>Dayton C. Miller donation</i>			
50 shares, common stock, Dow Chemical Co. ....		\$5,000.00	\$5,000.00
<i>Joseph Pennell donation</i>			
4% general consolidated mortgage gold bonds, Lehigh Valley R. R. Co. ....	\$5,000.00		5,000.00
6% secured gold note, National Railways of Mexico. ....	45.00		45.00
4½% prior lien gold bonds, National Railways of Mexico. ....	3,000.00		3,000.00
4½% general mortgage bonds, Pennsylvania R. R. Co. ....	5,000.00	—5,000.00	
5% consolidated mortgage bonds, Pennsylvania and New York Canal and R. R. Co. ....	1,000.00		1,000.00
4½% general and refunding mortgage bonds, Reading Co. ....	11,000.00		11,000.00
9 shares, preferred stock, Consolidation Coal Co. ....	500.00	—450.00	450.00
54 shares, common stock, Consolidation Coal Co. ....	900.00	450.00	1,350.00
5% sinking fund bonds, Consolidation Coal Co. ....	1,200.00	—1,200.00	
5% sinking fund gold bonds, Philadelphia and Reading Coal and Iron Co. ....	1,000.00	—100.00	900.00
Rights to interest in arrears, United States of Mexico. ....	429.30		429.30
Rights to interest in arrears, United States of Mexico. ....	810.00		810.00
6 shares, preferred stock, Lehigh Valley Coal Corp. ....	300.00		300.00
134 shares, common stock, Pennsylvania R. R. Co. ....	6,700.00		6,700.00
105 shares, common stock, Westmoreland Coal Co. ....	2,100.00		2,100.00
Common stock, Westmoreland, Inc. ....	1,050.00		1,050.00
Total securities. ....	181,634.30	—1,300.00	180,334.30
Total investments <sup>1</sup> . ....	181,634.30	—1,300.00	180,334.30
Mortgages, real estate, etc.:			
<i>Pennell donation</i>			
Mortgages (face value):			
W. Norris St., Philadelphia, Pa. ....	3,300.00	—200.00	3,100.00
Spruce St., Stonehurst, Delaware County, Pa. ....	2,962.50	—1,000.00	1,962.50
Osage Ave., Philadelphia, Pa. ....	1,900.00	—900.00	1,000.00
Chestnut St., Philadelphia, Pa. ....	877.59	—20.42	857.17
South St. and rear 2108 Rodman St., Philadelphia, Pa. ....	1,200.00	—1,200.00	
N. 31st. St., Philadelphia, Pa. ....	4,300.00	—200.00	4,100.00
West Drexel Road, Landsdowne, Pa. ....	3,750.00	—200.00	3,550.00
Real estate, etc. (book value):			
Delancy St., Philadelphia, Pa. ....	4,197.35		4,197.35
Pine St., Philadelphia, Pa. ....	13,496.65		13,496.65
N. Frazier St., Philadelphia, Pa. ....	7,164.16		7,164.16
Ritner St., Philadelphia, Pa. ....	5,759.19		5,759.19
Reese St., Philadelphia, Pa. ....	2,316.45		2,316.45
Boston Ave., Philadelphia, Pa. ....	2,686.79		2,686.79
Poplar St., Philadelphia, Pa. (ground rent) ....	1,500.00	—1,500.00	
<i>Porter donation</i>			
Real estate located at 16th and Eye Sts. NW., Washington, D. C. ....	(2)		(2)
Total mortgages, real estate, etc. ....	55,410.68	—5,220.42	50,190.26
Unexpended balances on books of the Division of Bookkeeping and Warrants:			
Permanent loan fund:			
Babine. ....	6,684.74		6,684.74
Beethoven. ....	12,088.13		12,088.13
Bowker. ....	1,169.06		1,169.06
Carnegie. ....	88,365.58		88,365.58
Coolidge. ....	108,294.07		108,294.07
Friends of Music in the Library of Congress. ....	3,192.85		3,192.85
Gugenheim. ....	90,654.22		90,654.22
Huntington. ....	113,396.99		113,396.99
Longworth. ....	7,691.59		7,691.59
Miller. ....		11,515.87	11,515.87
Pennell. ....	225,812.09	12,607.55	238,419.64
Whittall. ....	310,000.00		310,000.00
Wilbur. ....	305,813.57		305,813.57
Total permanent loan fund. ....	1,273,162.89	24,123.42	1,297,286.31
Total assets. ....	1,510,207.87	17,603.00	1,527,810.87

Footnotes at end of table.

TABLE 81.—*Library of Congress trust fund, June 30, 1944—Continued*

## II. LIBRARY OF CONGRESS TRUST FUND EARNINGS TO JUNE 30, 1944

Donation	Cumulative through June 30, 1943	Fiscal year 1944	Cumulative through June 30, 1944
Income account, securities, real estate, etc.			
Babine.....	\$1,785.58		\$1,785.58
Beethoven.....	4,429.73		4,429.73
Benjamin.....	37,644.10	\$2,906.80	40,550.90
Bowker.....	2,375.36	432.00	2,807.36
Carnegie.....	37,088.36	250.00	37,338.36
Coolidge.....	104,225.38	2,824.40	107,049.78
Friends of Music in the Library of Congress.....	104.47	105.00	209.47
Guggenheim.....	32,759.36		32,759.36
Huntington.....	119,097.83	<sup>3</sup> 10,037.89	129,135.72
Longworth.....	757.02		757.02
Miller.....		112.50	112.50
Pennell.....	61,049.98	6,267.94	67,317.92
Porter.....	12,580.98	5,000.04	17,581.02
Wilbur.....	107,345.09		107,345.09
Total.....	521,243.24	27,936.57	549,179.81
Income account, permanent loan fund			
Babine.....	\$1,598.89	\$267.40	\$1,866.29
Beethoven.....	2,367.26	483.52	2,850.78
Bowker.....	95.13	46.76	141.89
Carnegie.....	20,274.49	3,534.62	23,809.11
Coolidge.....	22,987.24	4,331.76	27,319.00
Friends of Music in the Library of Congress.....	101.52	127.72	229.24
Guggenheim.....	17,772.74	3,626.16	21,398.90
Huntington.....	27,215.28	4,535.88	31,751.16
Longworth.....	1,837.67	307.66	2,145.33
Miller.....		292.37	292.37
Pennell.....	36,317.27	9,400.30	45,717.57
Whittall.....	60,620.70	12,400.00	73,020.70
Wilbur.....	68,644.00	12,232.56	80,876.56
Total.....	259,832.19	51,586.71	311,418.90
Grand total.....	781,075.43	79,523.28	860,598.71

<sup>1</sup> Does not include 50 shares of Bowden Wire, Ltd., par value £1 per share, and 30 shares of Syndicat, Francois des Brevets E. M. Bowden, Ltd., par value £1 per share, held for Pennell donation. Also does not include securities held as investments for Huntington donation under deed of trust dated November 17, 1936, administered by designated trustees, including Bank of New York.

<sup>2</sup> Upon sale of premises, one-half of proceeds to go to Library of Congress Trust Fund Board and one-half to the Smithsonian Institution.

<sup>3</sup> Includes income under deed of trust dated Nov. 17, 1936, administered by designated trustees, including Bank of New York.



TABLE S2.—*Longshoremen's and harbor workers' compensation fund—Assets held by the Treasury Department, June 30, 1944*

[This trust fund was established in accordance with the provisions of the act of Mar. 4, 1927 (44 Stat. 1444). For further details see annual report of the Secretary for 1941, p. 141]

	June 30, 1943	Increase or decrease (—), fiscal year 1944	June 30, 1944	
Investments:				
Government securities:				
Treasury bonds:	<i>Principal cost</i>		<i>Par value</i>	<i>Principal cost</i>
3½% of 1944-46	\$15,600.00	—\$15,600.00		
4½% of 1947-52	38,646.56		\$34,500.00	\$38,646.56
2% of 1948-50	10,000.00		10,000.00	10,000.00
3% of 1951-55	9,959.38		10,000.00	9,959.38
2½% of 1952-54	35,000.00		35,000.00	35,000.00
278 <sup>1</sup> / <sub>8</sub> % of 1955-60	14,920.25		14,800.00	14,920.25
23½% of 1956-59	14,976.20		14,850.00	14,976.20
23½% of 1958-63	15,936.38		15,600.00	15,936.38
23½% of 1960-65	14,985.94		13,900.00	14,985.94
2½% of 1962-67	23,000.00		23,000.00	23,000.00
2½% of 1964-69	11,500.00		11,500.00	11,500.00
United States savings bonds:				
2½%, Series G		71,000.00	71,000.00	71,000.00
Total Government securities	204,524.71	55,400.00	254,150.00	259,924.71
Government-guaranteed securities:				
3½% Federal farm mortgage bonds of 1944-64	9,953.46	—9,953.46		
Other securities:				
3½% consolidated Federal farm loan bonds of 1945-55	9,901.74	—9,901.74		
3% consolidated Federal farm loan bonds of:				
1945-55	21,560.00	—21,560.00		
1946-56	10,972.50	—10,972.50		
Total other securities	42,434.24	—42,434.24		
Total investments	256,912.41	3,012.30	254,150.00	259,924.71
Unexpended balances:				
To credit of disbursing officers	4,580.34	—500.99		4,079.35
On books of the Division of Bookkeeping and Warrants	66,071.26	100,759.92		166,831.18
Total assets	327,564.01	103,271.23		430,835.24

TABLE S3.—*National Archives gift fund, June 30, 1944*

[This trust fund was established in accordance with the provisions of the National Archives Trust Fund Board Act of July 9, 1941 (55 Stat. 581)]

## I. RECEIPTS AND EXPENDITURES

	Cumulative through June 30, 1943	Increase or decrease (—), fiscal year 1944	Cumulative through June 30, 1944
Receipts:			
Donations:			
Mr. and Mrs. Hall Clovis	\$30,000.00		\$30,000.00
Miscellaneous	1,500.00	\$2,000.00	3,500.00
Total receipts	31,500.00	2,000.00	33,500.00
Expenditures	1,888.33	2,624.88	4,513.21
Balance	29,611.67	—624.88	28,986.79

TABLE S3.—*National Archives gift fund, June 30 1944*—Continued

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1943	Increase or decrease (—), fiscal year 1944	June 30, 1944
Unexpended balances:			
To credit of disbursing officer.....	\$1,011.67	—\$24.88	\$986.79
On books of the Division of Bookkeeping and Warrants.....	28,600.00	—600.00	28,000.00
Total assets.....	29,611.67	—624.88	28,986.79

TABLE S4.—*National Cancer Institute gift fund, June 30, 1944*

[This trust fund was established under sec. 6 of the National Cancer Institute Act of Aug. 5, 1937 (50 Stat. 561). For further details see annual report of the Secretary for 1941, p. 152]

## CONDITIONAL GIFT FUND

## I. RECEIPTS AND EXPENDITURES

	Cumulative through June 30, 1943	Fiscal year 1944	Cumulative through June 30, 1944
Receipts:			
Donations:			
American Society for the Control of Cancer.....	\$120.00		\$120.00
R. R. Spencer.....		\$300.00	300.00
Total receipts.....	120.00	300.00	420.00
Expenditures.....		300.00	300.00
Balance.....	120.00		120.00

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1943	Fiscal year 1944	June 30, 1944
Unexpended balance on books of the Division of Bookkeeping and Warrants.....	\$120.00		\$120.00

## UNCONDITIONAL GIFT FUND

## I. RECEIPTS AND EXPENDITURES

	Cumulative through June 30, 1943	Increase, fiscal year 1944	Cumulative through June 30, 1944
Receipts:			
Donation by Lt. Col. Stanley C. Ramsden.....	\$100.00		\$100.00
Miscellaneous.....	21.00	\$150.00	171.00
Total receipts.....	121.00	150.00	271.00
Expenditures.....	50.00	<sup>1</sup> 42.50	7.50
Balance.....	71.00	192.50	263.50

<sup>1</sup> Repayment of unexpended balance in disbursing account (deduct).

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1943	Increase, fiscal year 1944	June 30, 1944
Unexpended balance on books of the Division of Bookkeeping and Warrants.....	\$71.00	\$192.50	\$263.50

TABLE 85.—*National Institute of Health gift fund, June 30, 1944*

This trust fund was established in accordance with the provisions of the act of May 26, 1930 (46 Stat. 379).  
For further details see annual report of the Secretary for 1941, p. 152]

## CONDITIONAL GIFT FUND

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative through June 30, 1943	Increase or decrease (—), fiscal year 1944	Cumulative through June 30, 1944
Receipts:			
Donations:			
American Dental Association.....	\$10,000.00	-----	\$10,000.00
Chemical Foundation.....	100,000.00	-----	100,000.00
Corn Industries Research Foundation.....	20,000.00	-----	20,000.00
Josiah Macy, Jr., Foundation.....	5,600.00	-----	5,600.00
Rockefeller Foundation.....	22,000.00	-----	22,000.00
The National Foundation for Infantile Paralysis, Inc.....	21,000.00	-----	21,000.00
Total.....	178,600.00	-----	178,600.00
Earnings on investments (Chemical Foundation).....	45,264.33	\$3,357.50	48,621.83
Total receipts.....	223,864.33	3,357.50	227,221.83
Expenditures (warrants-issued basis):			
Advances to disbursing officers to meet expenditures on account of the Institute:			
American Dental Association.....	8,000.00	2,000.00	10,000.00
Chemical Foundation.....	53,502.48	<sup>1</sup> —139.22	53,363.26
Corn Industries Research Foundation.....	18,916.64	<sup>1</sup> —2,034.74	16,881.90
Josiah Macy, Jr., Foundation.....	5,600.00	-----	5,600.00
Rockefeller Foundation:			
Dental survey.....	15,000.00	-----	15,000.00
County health work.....	7,000.00	-----	7,000.00
The National Foundation for Infantile Paralysis, Inc.....	18,733.50	<sup>1</sup> —1,000.00	17,733.50
Total expenditures.....	126,752.62	—1,173.96	125,578.66
Balance.....	97,111.71	4,531.46	101,643.17

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1943	Increase or decrease (—), fiscal year 1944	June 30, 1944
Investments:			
4½% Treasury bonds of 1947-52 (par value \$79,000).....	\$88,138.51	-----	\$88,138.51
Unexpended balance on books of the Division of Book-keeping and Warrants:			
American Dental Association.....	2,000.00	—\$2,000.00	-----
Chemical Foundation.....	3,623.34	3,496.72	7,120.06
Corn Industries Research Foundation.....	1,083.36	2,034.74	3,118.10
The National Foundation for Infantile Paralysis, Inc.....	2,266.50	1,000.00	3,266.50
Total unexpended balance.....	8,973.20	4,531.46	13,504.66
Total assets.....	97,111.71	4,531.46	101,643.17

<sup>1</sup> Repayment of unexpended balance in disbursing account (deduct).

TABLE 85.—*National Institute of Health gift fund, June 30, 1944*—Continued

## UNCONDITIONAL GIFT FUND

## I. RECEIPTS AND EXPENDITURES

	Cumulative through June 30, 1943	Fiscal year 1944	Cumulative through June 30, 1944
Receipts:			
Donations:			
E. D. Crossman.....	\$900.00	-----	\$900.00
National Merchant Marine Association.....	296.78	-----	296.78
Miscellaneous.....	62.00	-----	62.00
Total receipts.....	1,258.78	-----	1,258.78
Expenditures.....			
Balance.....	1,258.78	-----	1,258.78

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1943	Fiscal year 1944	June 30, 1944
Unexpended balance on books of the Division of Book-keeping and Warrants.....	\$1,258.78	-----	\$1,258.78

TABLE 86.—*National park trust fund, June 30, 1944*

[This trust fund was established in accordance with the provisions of the act of July 10, 1935 (49 Stat. 477). For further details see annual report of the Secretary for 1941, p. 153]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative through June 30, 1943	Increase, fiscal year 1944	Cumulative through June 30, 1944
Receipts:			
Donations:			
Alexander Korda Productions.....	\$250.00	-----	\$250.00
Kodak Hawaii, Ltd.....	202.50	-----	202.50
Frank Lloyd Productions, Inc.....	150.00	-----	150.00
Loew's, Inc.....	1,050.00	-----	1,050.00
Metro-Goldwyn-Mayer Distributing Corporation.....	50.00	-----	50.00
Metro-Goldwyn-Mayer Corporation.....	3,000.00	-----	3,000.00
Metro-Goldwyn-Mayer Pictures.....	5,000.00	-----	5,000.00
Newton B. Drury.....	30.00	\$8.00	38.00
Paramount Pictures, Inc.....	304.00	-----	304.00
R. K. O. Radio Pictures, Inc.....	200.00	-----	200.00
Time, Inc.....		10.00	10.00
Twentieth Century Fox Film Corporation.....	1,225.00	50.00	1,275.00
Universal Pictures Corporation.....	3,200.00	-----	3,200.00
Walter Wanger Productions, Inc.....	900.00	-----	900.00
Warner Bros. Pictures, Inc.....	1,050.00	-----	1,050.00
Total.....	16,611.50	68.00	16,679.50
Interest earned on investments.....	2,430.15	500.76	2,930.91
Total receipts.....	19,041.65	568.76	19,610.41
Expenditures.....			
Balance.....	19,041.65	568.76	19,610.41

TABLE 86.—*National park trust fund, June 30, 1944*—Continued

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1943	Increase or decrease (—), fiscal year 1944	June 30, 1944
Investments:			
Treasury bonds:			
2½% of 1952-54	\$1,700.00		\$1,700.00
2½% of 1955-60	14,548.54		14,548.54
2½% of 1967-72	1,000.00		1,000.00
2½% of 1963-68	1,000.00		1,000.00
Total investments	18,248.54		18,248.54
Unexpended balances:			
To credit of disbursing officers	206.40	—\$206.40	
On books of the Division of Bookkeeping and Warrants	586.71	775.16	1,361.87
Total assets	19,041.65	568.76	19,610.41

<sup>1</sup> Par value \$14,200.

TABLE 87.—*National service life insurance fund, June 30, 1944*

[On basis of daily Treasury statements, see p. 519. This trust fund was established pursuant to Title VI of Public No. 801, approved Oct. 8, 1940 (54 Stat. 1012). For further details see annual report of the Secretary for 1941, p. 143]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative through June 30, 1943	Increase, fiscal year 1944	Cumulative through June 30, 1944
Receipts:			
Premiums and other receipts	\$329,063,079.06	\$781,144,957.94	\$1,110,208,037.00
Interest and profits on investments	5,416,945.88	22,190,004.10	27,606,949.98
Transfers from General Fund <sup>1</sup>	31,541,657.82	2101,208,711.15	132,750,368.97
Total receipts	366,021,682.76	904,543,673.19	1,270,565,355.95
Expenditures:			
Benefit payments and refunds	6,902,564.05	31,365,551.92	38,268,115.97
Balance	359,119,118.71	873,178,121.27	1,232,297,239.98

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1943	Increase or decrease (—), fiscal year 1944	June 30, 1944
Investments:			
3% special Treasury notes, national service life insurance fund series, maturing:			
June 30, 1945	\$2,800,000.00		\$2,800,000.00
June 30, 1946	35,440,000.00		35,440,000.00
June 30, 1947	313,485,000.00		313,485,000.00
June 30, 1948		\$820,700,000.00	820,700,000.00
June 30, 1949		41,000,000.00	41,000,000.00
Total investments	351,725,000.00	861,700,000.00	1,213,425,000.00
Unexpended balances:			
To credit of disbursing officers	7,394,118.71	11,478,121.27	18,872,239.98
On books of the Division of Bookkeeping and Warrants			
Total assets	359,119,118.71	873,178,121.27	1,232,297,239.98

<sup>r</sup> Revised.

<sup>1</sup> There has been appropriated through June 30, 1944, the amount of \$597,770,000 available to the Veterans' Administration for transfer, in accordance with the provisions of the National Service Life Insurance Act of 1940.

<sup>2</sup> Adjustment of \$251.34 to be made in daily Treasury statement in the fiscal year 1945

TABLE 88.—*Pershing Hall Memorial fund, June 30, 1944*

[This special fund was established in accordance with the provisions of the act of June 28, 1935 (49 Stat. 426). For further details see annual report of the Secretary for 1941, p. 155]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative through June 30, 1943	Increase, fiscal year 1944	Cumulative through June 30, 1944
Receipts:			
Appropriations.....	\$482,032.92		\$482,032.92
Interest and profits on investments.....	36,964.75	\$5,042.72	42,007.47
Total receipts.....	518,997.67	5,042.72	524,040.39
Expenditures:			
On account of current claims and expenses.....	288,629.70		288,629.70
On account of National Treasurer, American Legion.....	23,784.75		23,784.75
Total expenditures.....	312,414.45		312,414.45
Balance.....	206,583.22	5,042.72	211,625.94

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1943	Increase or decrease (—), fiscal year 1944	June 30, 1944
Investments:			
234% Treasury bonds of 1951-54 (par value \$191,300)....	\$193,044.38	<sup>1</sup> —\$218.04	\$192,826.34
Unexpended balances:			
To credit of disbursing officers.....			
On books of the Division of Bookkeeping and Warrants.....	<sup>2</sup> 13,538.84	5,260.76	18,799.60
Total assets.....	206,583.22	5,042.72	211,625.94

<sup>1</sup> Represents amortization of premium on bonds, in order to adjust fund earnings payable to American Legion, Inc.

<sup>2</sup> Includes \$2,521.36 interest and profits on investments and \$109.02 repayment representing amortization of premium on bonds. Adjustment made by the Division of Bookkeeping and Warrants during the fiscal year 1944.

TABLE 89.—United States Government life insurance fund—Investments, June 30, 1944

[This trust fund was established in accordance with the provisions of the act of June 7, 1924 (43 Stat. 607). For further details see annual report of the Secretary for 1941, p. 142]

	June 30, 1943	Increase, or decrease (—), fiscal year 1944	June 30, 1944	
<b>Investments:</b>				
Government securities:				
Treasury bonds:	<i>Principal cost</i>		<i>Par value</i>	<i>Principal cost</i>
4% of 1944-54.....	\$15,078,333.48	—\$15,078,333.48		
3% of 1946-56.....	2,384,625.00		\$2,200,000.00	\$2,384,625.00
4½% of 1947-52.....	42,234,926.78		40,772,000.00	42,234,926.78
3½% of 1948-51.....	5,315,000.01		5,300,000.00	5,315,000.01
2½% of 1950-52.....	24,710,950.54		24,600,000.00	24,710,950.54
3% of 1951-54.....	17,979,950.02		17,745,000.00	17,979,950.02
3% of 1951-55.....	6,051,109.38		5,900,000.00	6,051,109.38
2½% of 1952-54.....	3,000,000.00		3,000,000.00	3,000,000.00
2½% of 1954-56.....	20,000,000.00		20,000,000.00	20,000,000.00
2½% of 1955-60.....	124,639,945.36		122,559,250.00	124,639,945.36
2½% of 1956-59.....	37,173,874.80		36,824,300.00	37,173,874.80
2½% of 1958-63.....	9,017,525.05		8,840,000.00	9,017,525.05
2½% of 1960-65.....	26,151,381.34		25,078,000.00	26,151,381.34
2½% of 1962-67.....	25,000,000.00		25,000,000.00	25,000,000.00
2½% of 1963-68.....	3,100,000.00		3,100,000.00	3,100,000.00
2½% of 1964-69.....	30,800,000.00	52,000,000.00	82,800,000.00	82,800,000.00
2½% of 1965-70.....		86,581,000.00	86,581,000.00	86,581,000.00
2½% of 1967-72.....	41,774,373.28		41,735,450.00	41,774,373.28
Special adjusted service bonds:				
4½% Government life insurance fund series, 1946.....	500,157,956.40		500,157,956.40	500,157,956.40
Special Treasury notes:				
2% Government life insurance fund series, maturing June 30:				
1947.....	38,000,000.00	—38,000,000.00		
1948.....		1,400,000.00	1,400,000.00	1,400,000.00
1949.....		500,000.00	500,000.00	500,000.00
Total Government securities.....	972,569,951.44	87,402,666.52	1,054,092,956.40	1,059,972,617.96
Other securities:				
3% consolidated Federal farm loan bonds of:				
1945-55.....	18,894,400.00	—8,820,000.00	10,280,000.00	10,074,400.00
1946-56.....	22,662,202.50	—19,071,202.50	3,600,000.00	3,591,000.00
Total other securities.....	41,556,602.50	—27,891,202.50	13,880,000.00	13,665,400.00
Total investments.....	1,014,126,553.94	59,511,464.02	1,067,972,956.40	1,073,638,017.96
<b>Loans:</b>				
Policy loans outstanding <sup>1</sup> .....	138,351,523.01	—10,545,339.39		127,806,183.62
Adjusted service certificate loans outstanding <sup>1</sup> .....	3,310,417.70	464,592.69		3,775,010.39
Total outstanding loans.....	141,661,940.71	—10,080,746.70		131,581,194.01
Total investments in fund ..	1,155,788,494.65	49,430,717.32		1,205,219,211.97

<sup>1</sup> Includes interest accrued to anniversary dates of loans.

TABLE 90.—United States Naval Academy general gift fund.

[This trust fund was established in accordance with the act of Mar. 31, 1944 (58 Stat. 135)]

## I. RECEIPTS

	June 30, 1943	Increase, fiscal year 1944	June 30, 1944
<b>Receipts:</b>			
Bequest of Dudley F. Wolfe.....		\$85,000.00	\$85,000.00
Total receipts.....		85,000.00	85,000.00

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1943	Increase, fiscal year 1944	June 30, 1944
<b>Investments:</b>			
Treasury bonds, 2½% of 1965-70.....		\$85,000.00	\$85,000.00
Total investments.....		85,000.00	85,000.00





Federal Prison Industries, Inc.					9,914				2,281	6,357	1,900		20,453
Federal Security Agency—student war loans	3,160								196				3,356
Federal Works Agency:													
Public Works Administration:													
War Public Works—community facilities	72,423				957	6,400			850	15,904	65	17	72,423
Inland Waterways Corporation	4,545												4,545
Interior Department—Indian loans	3,064												24,546
Panama Railroad Company					6,970	16,969			382	43,250	109	1,955	3,064
Puerto Rico Reconstruction Administration	6,608				3,135				205		12,594	2	69,647
RFC Mortgage Company, The	113,880				1				4 2,643	6,514	4,914		22,545
Tennessee Valley Associated Cooperatives, Inc.	241				18				2				128,909
Treasury Department:													295
Federal savings and loan associations													4,727
Railroad loans (Transportation Act, 1920)	24,212												24,212
Other:													
Advances to Federal Reserve Banks for industrial loans											27,546		27,546
Loans to District of Columbia	902												902
Securities received by Bureau of Internal Revenue in settlement of tax liabilities											37		37
Securities received from Reconstruction Finance Corporation under act of Feb. 24, 1938	47												47
War corporations and activities (World War I):													
Navy Department (sale of surplus supplies)					436				2,828	(*)	672		2,828
U. S. Housing Corporation									10				1,118
U. S. Railroad Administration									16				16
U. S. Spruce Production Corporation					59	114			189				365
War corporations (World War II) 1:	231,465				155,520				3,000	4 541,076	128,139	382,000	9,316,773
Interagency items: 2													
Due from other Government agencies					1,117								
Due to other Government agencies													
Subtotal	7,186,607				618,304	1,525,100			382,301	1,963,690	1,701,377	17,916,090	53,200,203
Less: Interagency interests included above													21,360,281
Total	7,186,607				618,304	1,525,100			382,301	1,963,690	1,701,377	17,916,090	31,839,922

Footnotes at end of table.

TABLE 91.—Combined statement of assets and liabilities of Government corporations and credit agencies, June 30, 1944—Continued

[In thousands of dollars]

## SUMMARY—Continued

Corporation or agency	Liabilities and reserves				Excess of assets over liabilities	Proprietary interest		Distribution of United States interests		United States inter-agency interests (net)
	Guaranteed by United States (includes accrued interest)	Not guaranteed by United States (includes reserves)	Owed to Government corporations and agencies			Privately owned	Owned by United States	Capital stock	Surplus (paid-in and earned)	
			Treasury	Other						
Banks for cooperatives.....	13 14 706, 104	1, 702	17, 021	18, 724	211, 856	6, 387	205, 469	177, 000	28, 469	17, 006
Commodity Credit Corporation.....	—	434, 138	900, 000	2, 040, 411	242, 154	—	13 242, 154	100, 000	16 342, 154	890, 053
Export-Import Bank of Washington.....	—	79, 882	7, 000	86, 882	196, 643	—	196, 643	175, 000	21, 643	7, 000
Farm Credit Administration.....	—	204, 077	—	204, 077	214, 903	—	214, 903	17 214, 903	—	13 177, 000
Federal Crop Insurance Corporation.....	—	1, 466	1, 000	2, 466	2, 773	—	2, 773	40, 000	16 37, 227	1, 000
Federal Deposit Insurance Corporation.....	—	487, 562	—	487, 562	289, 300	139, 300	150, 000	150, 000	—	13 376
Federal Farm Mortgage Corporation.....	13 43, 956	19 71, 770	20 365, 000	482, 131	143, 777	—	13 143, 777	100, 000	19 43, 777	364, 485
Federal home loan banks.....	—	79, 697	523	80, 220	203, 479	78, 738	124, 741	124, 741	—	523
Federal Housing Administration.....	23, 882	12, 376	—	36, 259	108, 681	—	108, 681	17 108, 681	—	13 103
Federal intermediate credit banks.....	—	287, 004	16	287, 019	89, 830	—	89, 830	60, 000	29, 830	13 17, 006
Federal land banks.....	—	1, 351, 430	556	1, 351, 986	473, 950	218, 722	255, 228	120, 131	135, 087	13 5, 069
Federal National Mortgage Association.....	—	1, 674	46, 476	48, 150	13, 995	—	13, 995	10, 000	3, 995	46, 476
Federal Public Housing Authority.....	13 67	8, 000	398, 000	406, 085	146, 264	—	13 146, 264	1, 000	145, 264	398, 018
Federal Savings and Loan Insurance Corporation.....	—	2, 352	—	2, 352	149, 280	—	149, 280	100, 000	49, 280	—
Home Owners' Loan Corporation.....	13 821, 460	56, 447	580, 000	1, 458, 199	65, 910	—	13 65, 910	200, 000	16 134, 090	480, 293
Production credit corporations.....	—	445	—	445	122, 747	—	122, 747	115, 000	7, 747	—
Reconstruction Finance Corporation.....	10 13 176, 178	10 794, 204	8, 455, 603	9, 509, 729	715, 521	—	13 715, 521	325, 000	10 390, 521	174, 451
Regional Agricultural Credit Corporation of Washington, D. C.....	—	1, 240	—	1, 240	62, 005	—	62, 005	44, 500	17, 505	—
Rural Electrification Administration.....	—	235, 936	—	235, 936	133, 584	—	133, 584	17 133, 584	—	221, 861
Tennessee Valley Authority.....	(1)	22, 849	56, 985	80, 020	642, 689	—	13 642, 689	17 642, 689	—	54, 064
United States Maritime Commission.....	—	2, 049, 462	1, 459	2, 050, 921	7, 081, 562	—	7, 081, 562	17 7, 081, 562	—	13 3, 257
War Shipping Administration.....	—	615, 205	454	615, 658	470, 459	—	470, 459	17 470, 459	—	13 562, 458
Other:	—	—	—	—	—	—	—	—	—	—
Disaster Loan Corporation.....	75	—	25	99	20, 509	—	20, 509	24, 000	16 3, 491	13 1, 299
Farm Security Administration.....	3, 826	—	176, 079	179, 906	334, 352	—	334, 352	17 334, 352	—	106, 412
Federal Prison Industries, Inc.....	777	—	—	777	19, 676	—	19, 676	17 4, 801	14, 875	—
Federal Security Agency—student war loans.....	99	—	—	99	3, 257	—	3, 257	17 3, 386	16 129	—
Federal Works Agency:	—	—	—	—	—	—	—	—	—	—
Public Works Administration.....	—	—	—	—	72, 423	—	72, 423	17 72, 423	—	—
War Public Works—community facilities.....	—	—	—	—	4, 545	—	4, 545	—	—	—
Inland Waterways Corporation.....	—	—	—	—	23, 232	—	23, 232	12, 000	11, 232	13 17
Interior Department—Indian loans.....	1, 315	—	—	1, 315	3, 064	—	3, 064	17 3, 064	—	—

Panama Railroad Company.....	14,391	353	14,744	54,903	54,903	7,000	47,903	18 1,602
Puerto Rico Reconstruction Administration.....	10		10	22,534	22,534	17 22,534		18 2
RFC Mortgage Company, The.....	6,050		100,523	28,387	28,387	25,000	3,387	94,473
Tennessee Valley Associated Cooperatives, Inc.....				295	295	1	294	
Treasury Department:								
Federal savings and loan associations.....				4,727	4,727	4,727		
Railroad loans (Transportation Act, 1920).....				24,212	24,212	17 24,212		
Other:								
Advances to Federal Reserve Banks for industrial loans.....								
Loans to District of Columbia.....				27,546	27,546	17 27,546		
Securities received by Bureau of Internal Revenue in settlement of tax liabilities.....				902	902	17 902		
Securities received from Reconstruction Finance Corporation under act of Feb. 24, 1938.....				37	37	17 37		
War corporations and activities (World War I):				47	47	17 47		
Navy Department (sale of surplus supplies).....								
U. S. Housing Corporation.....	7		7	2,828	2,828	17 2,828		
U. S. Railroad Administration.....				1,111	1,111	25,194	16 24,083	
U. S. Spruce Production Corporation.....				16	16	17 16		
War corporations (World War II) <sup>11</sup> .....	1,175,810	75	75	290	290	100	190	75
Interagency items: <sup>12</sup>		9,025,665	10,201,475	884,701	884,701	17 201,113	91,085,814	8,643,665
Due from other Government agencies.....				12,153,440	12,153,440	17 12,153,440		18 12,153,440
Due to other Government agencies.....			274,027	274,027	274,027	17 274,027		274,027
Subtotal.....	1,771,646	7,765,340	10,755,588	22,940,676	22,497,531	23,173,493	675,992	31 637,741
Less: Interagency interests included above.....			9,906,952	637,741	637,741	636,741	1,000	
Total.....	1,771,646	7,765,340	9,536,986	22,302,935	21,859,790	22,536,752	676,992	637,741

Footnotes at end of table.



Accrued interest receivable	1,043	8,456	1,027			2,452	7,015	753	399	1,947	17,300	294
Real estate and business property:												
Real estate and equipment	58	16,777	19			(*)		(*)	1,200		4,919	26
Vessels and rolling stock												
Stores and supplies		256				72			49			
Real estate and other property held for sale	27	861,172				12,099	6,061		10,100		13,618	60
Other asset	106	2,693	86	1,758			781	28		269	2,639	29
Total assets other than interagency	230,564	1,788,160	283,624	241,980	5,239	776,485	623,988	283,698	144,837	359,828	1,820,311	62,145
Interagency assets:												
Due from Government corporations and agencies	16	10,117				376	1,920		103	17,021	5,625	
Interagency proprietary interests:												
Capital stock and paid-in surplus of Government corporations				177,000								
Total, all assets	230,580	1,798,277	283,624	418,980	5,239	776,861	625,908	283,698	144,940	376,849	1,825,935	62,145
LIABILITIES												
Bonds, notes, and debentures:												
Obligations guaranteed by United States <sup>24</sup>		13 14 704,340					13 42,913		23,550			
Other										285,040	1,235,037	
Accrued interest payable:												
Guaranteed by United States		1,763					1,043		332			
Other									145	1,073	14,250	
Other liabilities	604	417,386	79,759	80	1,406	1,527	7,230	21,664	12,047	770	31,869	1,662
Deferred income			120			4				55	33	11
Reserves:												
For uncollectible items	1,099		3	203,997		22,981	19 64,540		185	65	70,242	
Other operating reserves		16,752				463,050						
Total liabilities other than interagency	1,702	1,140,242	79,882	204,077	1,406	487,562	115,726	79,697	36,259	287,004	1,351,430	1,674
Interagency liabilities:												
Owed to Government corporations and agencies:												
Treasury		900,000					20 365,000					
Other	17,021	169	7,000		1,000		1,403	523		16	536	46,476
Total, all liabilities	18,724	2,040,411	86,882	204,077	2,406	487,562	482,131	80,220	36,259	287,019	1,351,986	48,150
Capital and surplus:												
Capital stock	182,486	100,000	175,000	214,903	40,000	289,300	100,000	185,976	108,681	60,000	202,012	10,000
Nonstock capital												
Paid-in surplus		143,951									135,097	1,000
Earned surplus and reserves:												
Reserve for dividends and contingencies	5,600		206							8,325	78,881	2,050
Legal reserves												
Earned surplus and undivided profits	23,771	16 486,084	21,436		16 97,227		10 43,777	7,064		21,505	57,959	945
Total liabilities, capital, and surplus	230,580	1,798,277	283,624	418,980	5,239	776,861	625,908	283,698	144,940	376,849	1,825,935	62,145

Footnotes at end of table.

TABLE 91.—Combined statement of assets and liabilities of Government corporations and credit agencies, June 30, 1944—Continued

[In thousands of dollars]

DETAIL—Continued

	Federal Public Housing Authority	Federal Savings and Loan Insurance Corporation	Home Owners' Loan Corporation	Production credit corporations	Reconstruction Finance Corporation	Regional Agricultural Credit Corporation, Washington, D. C.	Rural Electrification Administration	Tennessee Valley Authority	United States Maritime Commission	War Shipping Administration	Other	Total
ASSETS												
Loans:												
Banks.....					39,061							63,506
Railroads.....					381,941						24,212	405,254
Insurance companies.....					31,947							34,052
Building and loan associations.....					2,017							128,189
Mortgage loan companies.....					13,297							13,297
Agricultural credit corporations.....												265
Cooperative associations.....											4,704	483,155
States, Territories, etc.....											77,322	162,849
Joint stock land banks.....					71,797							341
Ship construction and reconditioning loans.....					344							
Mortgage loans (not otherwise classified).....	1,586		1,220,106		55	20,561			14,092		116,732	14,092
Crop, livestock, and commodity loans.....	7,308,345				795,033		1,738				247	827,965
Other loans.....											642,854	2,043,854
Total loans.....	309,932		1,220,106		1,334,593	20,561	347,995		14,092		866,072	7,186,607
Preferred capital stock, etc.:												
Banks and trust companies.....					316,398							316,398
Other.....			\$ 46,529								5,878	52,407
Cash:												
With Treasurer, United States.....	42,427	1,000	33,942	22 142	10 30,596	42,329		4,101			133,162	393,621
On hand and in banks.....			725	22 528	482	3		313	1	4,045	22 43,626	114,291
In transit.....											223	467
In trust funds with Treasurer, U. S. <sup>a</sup> .....	67		65,695		178							109,925
Investments:												
United States securities.....												
Obligations guaranteed by United States:												
Federal Housing Administration.....	7,158	146,802	15,000	57,802	71,769	236					23,483	1,525,100
Home Owners' Loan Corporation.....											956	1,580
Reconstruction Finance Corporation.....												50
Tennessee Valley Authority bonds.....					6,300							176,008
												6,300

[illegible]

Footnotes at end of table.

TABLE 91.—Combined statement of assets and liabilities of Government corporations and credit agencies, June 30, 1944—Continued

[In thousands of dollars]

DETAIL—Continued

	Public Housing Authority	Federal Savings and Loan Insurance Corporation	Home Owners' Loan Corporation	Production credit corporations	Reconstruction Finance Corporation	Agricultural Corporation of Washington, D. C.	Rural Electrification Administration	Tennessee Valley Authority	United States Maritime Commission	War Shipping Administration	Other	Total
LIABILITIES--Continued												
Capital and surplus:												
Capital stock	1,000	100,000	200,000	115,000	325,000	44,500					284,823	2,415,097
Nonstock capital											12,304,420	21,046,288
Paid-in surplus	140,751					20,722	133,584	642,689	7,081,562	470,459	48,144	489,663
Earned surplus and reserves:												
Reserve for dividends and contingencies												
Legal reserves		27,000			325						78,503	122,352
Earned surplus and undivided profits	4,513	22,280	10,134,090	7,747	10,390,196	10,5,217					364	111,621
											10,1,102,648	10,1,244,554
Total liabilities, capital and surplus	552,348	151,632	1,524,109	123,192	10,225,251	63,245	369,520	722,708	9,132,483	1,086,118	22,416,660	53,200,203

NOTE.—The reports from the corporations and agencies are revised by the Treasury Department to adjust for certain interagency items. Figures in this table do not agree in some instances with those appearing in the statement published in the daily Treasury statement of July 31, 1944. This is because reports from some corporations for the month of June were not received in time for inclusion in the daily Treasury statement necessitating the use of prior months' figures for such corporations.

\* Less than \$500.

<sup>1</sup> Excludes unexpended balances of appropriated funds.

<sup>2</sup> Includes real estate and other property held for sale.

<sup>3</sup> Includes capital stock and paid-in surplus of Government corporations.

<sup>4</sup> Includes deposits with the Reconstruction Finance Corporation and accrued interest thereon.

<sup>5</sup> Includes interagency transactions of lend-lease funds.

<sup>6</sup> Includes the assets and liabilities of the Federal Land Banks of Louisville, Ky., and Houston, Tex., which have retired the capital stock and paid-in surplus previously held by the Federal Government.

<sup>7</sup> Excludes contract commitments. As of June 30, 1944, the Federal Public Housing Authority has entered into definite contracts calling for maximum advances of \$683,391,811. Advances have been made in the amount of \$308,345,426.81 against loan contract commitments amounting to \$418,747,377. The Federal Public Housing Authority has also agreed to disburse \$225,580,900 on additional loan contract commitments amounting to \$264,644,434 now being financed by securities issued by local housing authorities.

<sup>8</sup> Shares of State building and loan associations, \$10,939,100; shares of Federal savings and loan associations, \$35,590,150.



<sup>9</sup> Includes the Electric Home and Farm Authority, transferred for purposes of liquidation to Reconstruction Finance Corporation under Executive Order No. 9256, dated October 13, 1942, effective October 31, 1942.

<sup>10</sup> Adjusted for interagency items and items in transit.

<sup>11</sup> Includes Cargoes, Incorporated, Defense Homes Corporation, Defense Plant Corporation, Defense Supplies Corporation, Institute of Inter-American Affairs, Institute of Inter-American Transportation, Inter-American Educational Foundation, Inc., Inter-American Navigation Corporation, Metals Reserve Company, Petroleum Reserves Corporation, Prentissradio, Incorporated, Rubber Development Corporation, Rubber Reserve Company, Smaller War Plants Corporation, U. S. Commercial Company, and War Damage Corporation.

<sup>12</sup> Represents interagency assets and liabilities of the Treasury Department and of Government agencies, which agencies are not included in this statement.

<sup>13</sup> The following amounts in bonds and notes held by the Secretary of the Treasury in the amount of \$10,716,259,623.79 are excluded from "Bonds, notes, and debentures; obligations guaranteed by the United States" and are included in interagency liabilities: Commodity Credit Corporation, \$900,000,000; Federal Farm Mortgage Corporation, \$365,000,000 (excluding \$1,000,000 in transit for redemption); Federal Public Housing Authority, \$398,000,000; Home Owners' Loan Corporation, \$580,000,000; Reconstruction Finance Corporation, \$8,416,487,123.79; and Tennessee Valley Authority, \$56,772,500.

<sup>14</sup> Includes \$289,772,202.22 guaranteed obligations arising from drafts and invoices paid by commercial banks.

<sup>15</sup> Exclusive of the amount of the Government's financial interest in these agencies on account of obligations and accrued interest thereon held by the Treasury and included as liabilities under the caption "Owed to Government corporations and agencies—Treasury."

<sup>16</sup> Deficit (deduct).

<sup>17</sup> Nonstock or includes nonstock proprietary interest.

<sup>18</sup> Excess interagency assets (deduct).

<sup>19</sup> After reduction in amount of reserves and corresponding increase in the earned surplus amount in accordance with revised reserve requirements as approved by the corporation on the basis of recent comprehensive studies or reviews.

<sup>20</sup> Excludes \$1,000,000 in transit for redemption.

<sup>21</sup> Represents interagency holdings of capital stock and paid-in surplus items which are not deducted from the capital stock and paid-in surplus of the corresponding organizations. Includes cash in trust funds.

<sup>22</sup> Represents money deposited with the Treasurer of the United States for the payment of matured principal and interest.

<sup>23</sup> Excludes obligations reacquired and held by the issuing organizations.

<sup>24</sup> Included in this amount are \$107,430,675 matured obligations for which cash has been deposited with the Treasurer of the United States as follows: Commodity Credit Corporation, \$7,000; Federal Farm Mortgage Corporation, \$42,913,460; Federal Housing Administration, \$17,100; Federal Public Housing Authority, \$66,000; Home Owners' Loan Corporation, \$84,251,175; and Reconstruction Finance Corporation, \$176,000.

<sup>25</sup> Includes matured interest in amount of \$2,494,169.59 for which cash has been deposited with the Treasurer of the United States as follows: Commodity Credit Corporation, \$4,208.77; Federal Farm Mortgage Corporation, \$1,042,648.72; Federal Housing Administration, \$1,276.87; Federal Public Housing Authority, \$653.14; Home Owners' Loan Corporation, \$1,413,417.84; and Reconstruction Finance Corporation, \$1,904.25.

TABLE 92.—*Proprietary interest of the United States in Government corporations and credit agencies, at the end of each of the fiscal years 1933 through 1944*

[In thousands of dollars.] On basis of reports received from the corporations and agencies. Negative figures are shown in italics]

Corporation or agency	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944
Banks for cooperatives.....												
Commodity Credit Corporation.....		111,000	128,624	151,044	148,589	156,464	161,155	165,068	108,886	167,041	197,791	295,463
Export-Import Bank of Washington.....		3,000	83,927	83,927	77,317	100,000	100,000	100,000	100,427	107,635	92,051	92,181
Farm Credit Administration.....		14,000	13,845	18,163	21,064	21,789	47,535	79,538	184,649	192,321	199,956	196,643
Federal Crop Insurance Corporation.....		438,522	184,221	186,077	257,750	280,403	260,087	240,887	147,982	191,350	212,143	214,963
Federal Deposit Insurance Corporation.....							5,000	8,000	14,000	20,000	12,012	2,773
Federal Farm Mortgage Corporation.....												
Federal home loan banks.....		197,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Federal Housing Administration.....		81,000	200,000	200,000	200,000	200,000	200,000	200,000	100,000	100,000	101,647	113,777
Federal Intermediate credit banks.....		43,204	81,646	93,542	120,514	124,741	124,741	124,741	100,000	100,000	124,741	124,741
Federal land banks.....			28,866	29,710	29,706	34,965	38,556	50,312	64,072	80,343	94,573	108,081
Federal National Mortgage Association.....		62,710	105,083	107,894	103,944	114,846	118,393	120,524	84,946	87,209	88,858	89,830
U. S. Housing Authority.....		124,872	205,118	235,783	266,462	304,403	313,943	312,773	213,483	213,233	263,097	255,228
Federal Public Housing Authority.....							12,062	15,557	22,703	22,703	23,106	13,995
Home Owners' Loan Corporation.....							146,841	138,238	137,752	110,849	140,412	146,261
Production credit corporations.....		998	101,597	103,844	108,235	113,125	118,283	123,621	129,389	133,402	141,407	149,280
Reconstruction Finance Corporation.....		144,000	169,709	165,976	169,260	159,089	140,438	123,547	107,637	90,537	82,420	65,910
Regional agricultural credit corporations.....		531,117	520,978	520,939	521,142	521,427	522,076	522,211	510,541	525,238	527,078	522,747
Rural Electrification Administration.....		43,620	574,553	633,305	664,631	690,172	747,593	665,225	535,196	597,784	676,753	715,521
Tennessee Valley Authority.....			56,700	35,035	26,864	17,776	18,747	19,967	20,867	22,094	22,404	42,005
U. S. Shipping Board—Merchant Fleet Corporation.....		9,000	63,956	95,992	178,919	216,736	234,203	268,513	327,093	458,456	570,368	642,689
United States Maritime Commission.....		224,102	181,962	151,227	87,289	98,742	112,757	163,638	168,784	963,626	3,250,788	7,081,562
War Shipping Administration.....											410,826	470,459
Other:												
Disaster Loan Corporation.....												
Electric Home and Farm Authority.....					5,660	9,262	16,873	22,632	22,466	22,323	20,904	20,509
Subsistence homesteads (Resettlement Administration).....		1,000	872	839	865	902	938	1,074	1,201	1,499	(?)	
Farm Security Administration.....		3,000	25,000	79,875	127,669	(4)	256,275	307,889	382,052	302,017	302,167	334,352
Federal Prison Industries, Inc.....					5,575	6,575	7,449	8,478	9,787	13,105	16,638	19,676
Federal Security Agency—student war loans.....			4,399	5,014							3,022	3,257
Federal Works Agency:												
Public Works Administration.....		145,423	466,749	267,927	145,534	51,597	54,611	94,570	97,020	92,126	89,227	72,423
War Public Works—community facilities.....												
Inland Waterways Corporation.....		24,007	23,750	24,002	24,542	24,981	24,853	24,411	23,985	23,499	23,211	4,545
Interior Department (Indian loans).....												23,232
Panama Railroad Company.....		43,626	43,147	43,334	44,286	45,886	46,078	49,341	51,909	56,795	57,431	54,903
RFC Mortgage Administration.....					3,701	3,897	6,388	8,099	7,556	22,013	22,477	22,531
RFC Mortgage Company, The.....			9,995	10,157	25,358	25,309	25,259	25,313	25,313	25,671	26,855	28,346
Tennessee Valley Associated Cooperatives, Inc.....			305	299	302	302	301	297	293	294	299	295

<b>Treasury Department:</b>											
Advances to Federal Reserve Banks for industrial loans.....	20,932	26,546	27,421	27,546	27,546	27,546	27,546	27,546	27,546	27,546	27,546
Federal savings and loan associations.....	32,464	102,040	48,184	47,803	34,137	19,443	11,484	4,797	1,500	902	4,797
Loans to District of Columbia (blackout loans).....	31,192	30,590	30,230	30,230	30,230	30,230	30,230	30,230	25,213	25,123	21,212
Railroad loans (Transportation Act, 1920).....									60	60	37
Securities received by the Bureau of Internal Revenue in settlement of tax liabilities.....									172		
Securities received from the Reconstruction Finance Corporation under act of Feb. 24, 1938.....											
War corporations and activities (World War I):											
Surplus war supplies.....	828	433	383								
Navy Department (sale of surplus war supplies).....	4,924	5,086	4,785	4,708	4,645	4,572	4,431	3,311	3,634		2,828
Secretary of the Treasury (U. S. Railroad Administration).....	1,257	1,132	531	118	114	110	64	60	22		16
U. S. Housing Corporation.....	1,916	1,989	2,014	1,980	1,925	1,848	1,885	1,885	1,365		1,111
U. S. Spruce Production Corporation.....	417	336	287	293	300	304	302	298	298		290
War Finance Corporation.....	313	200	30	10	2	(9)					
War corporations (World War I) <sup>10</sup> .....						34,648	58,737	65,509			884,701
Interagency items: <sup>11</sup>											
Due from other Government corporations and agencies.....	1,594,629	3,404,000	3,693,439	3,617,962	275,066	105,012	303,013	4,087,763	7,634,622	12,153,440	
Due to other Government corporations and agencies.....	317,184	496,099	1,813,811	1,815,696	14,630	12,230	19,272	58,635	48,188	51,876	274,027
Subtotal.....	2,863,010	5,048,569	5,442,687	5,045,212	4,407,391	4,025,978	8,553,215	15,437,022	22,497,531	637,741	
Less: Interagency interest included above.....	89,249	892,600	998,842	1,074,453	392,000	559,000	500,741	693,741	632,741		
Total.....	2,773,761	4,248,569	4,443,845	3,970,779	4,105,391	3,716,000	3,666,978	3,435,684	8,249,474	14,804,281	21,859,790

NOTE:—The reports from the corporations and agencies are revised by the Treasury Department to adjust for certain interagency items. Figures for the fiscal years 1943 and 1944 do not agree in some instances with those appearing in the statement published in the daily Treasury statements. This is because reports from some corporations for the month of June were not received in time for inclusion in the daily Treasury statement necessitating the use of prior months' figures for such corporations. The figures for prior years agree with those published in the daily Treasury statement.

- <sup>1</sup> Figures are rounded and will not necessarily add to totals.
- <sup>2</sup> After reduction in amount of reserves and corresponding increase in the earned surplus amount in accordance with revised reserve requirements as approved by the corporation on the basis of recent comprehensive studies or reviews.
- <sup>3</sup> Transferred to Federal Public Housing Authority.
- <sup>4</sup> The regional agricultural credit corporations have been in liquidation. By the end of the fiscal year 1941, the corporations had been transferred and merged and only one corporation, that of Washington, D. C., remained in operation.
- <sup>5</sup> Transferred to the U. S. Maritime Commission.
- <sup>6</sup> Includes War Shipping Administration.
- <sup>7</sup> Transferred to Reconstruction Finance Corporation for purpose of liquidation, Executive Order No. 9256, effective October 31, 1942.
- <sup>8</sup> Corporation abolished effective July 1, 1939, pursuant to reorganization plan No. 11.
- <sup>9</sup> Formerly classified as national defense corporations; includes Cargoes, Incorporated, Defense Homes Corporation, Defense Plant Corporation, Defense Supplies Corporation, Institute of Inter-American Affairs, Institute of Inter-American Transportation, Inter-American Educational Foundation, Inc., Inter-American Navigation Corporation, Metals Reserve Company, Petroleum Reserves Corporation, Prencinradio, Incorporated, Rubber Development Corporation, Rubber Reserve Company, Smaller War Plants Corporation, U. S. Commercial Company, and War Damage Corporation.
- <sup>10</sup> Represents interagency assets and liabilities of the Treasury Department and of Government agencies, which agencies are not included in this statement.

TABLE 93.—*Sources of funds of certain Government corporations and credit agencies, fiscal year 1944 and cumulative through June 30, 1944*

[On basis of reports received from the corporations and agencies]

Corporation or agency	Fiscal year 1944								Total, sources of funds
	Appropriations from General Fund of the Treasury <sup>1</sup>	Allocations, redemptions, and loans from Government corporations and credit agencies (net)	Sale of obligations to Treasury (net)	Sale of obligations in the market (net) <sup>2</sup>	Sale of stock to other agencies	Sale of other property acquired	Repayment of loans <sup>3</sup>	Interest, dividends, assessments, and property income	
Central Bank for Cooperatives	\$4,500,000	—\$1,803,937			—\$258,600		\$194,287,336	\$1,587,812	\$198,335,361
Commodity Credit Corporation			—\$1,050,000,000	—\$40,957,544		\$4,108,213,110	51,396,748	4,841,325	3,102,738,429
Disaster Loan Corporation						45,364	1,622,463	108,178	1,745,651
Export-Import Bank of Washington		3,000,000					17,358,162	10,836,145	31,194,306
Federal Deposit Insurance Corporation		—177					25,516,097	93,601,239	123,573,642
Federal Farm Mortgage Corporation			365,000,000	—929,764,200		9,831,680	128,737,321	46,612,283	—375,822,268
Federal home loan banks				23,000,000			184,414,897	4,948,602	211,761,282
Federal National Mortgage Association		53,080,960		—55,548,000		337,701	105,733,982	6,930,704	12,659,874
Federal Public Housing Authority	10,129,997		115,000,000	—114,157,000			11,467,728	10,242,600	32,723,808
Federal Savings and Loan Insurance Corporation								7,757,699	8,947,873
Home Owners' Loan Corporation			384,000,000			89,659,037	231,941,238	70,348,810	758,441,331
Reconstruction Finance Corporation <sup>4</sup>			3,444,115,000	—895,865,000		4,656,539	411,896,007	86,892,470	3,066,220,074
RFC Mortgage Company, The		13,569,227				217,184	32,727,727	4,489,124	54,099,797
Rural Electrification Administration	5,465,714	571,706					14,962,316	11,054,635	32,054,369
War corporations <sup>5</sup>	4,000,000	2,733,128,742				2,294,470,081	27,923,479	17,258,463	6,086,172,425
Total	24,095,711	2,801,546,521	3,258,115,000	—2,013,291,744	—258,000	6,507,430,696	1,439,985,502	377,510,099	13,344,845,954

From inception of organization through June 30, 1944

Central Bank for Coopera- tives.....	\$76,500,000	\$15,751,748			\$1,020,000			\$609,609,483	\$14,120,317	\$4,707,563	\$721,709,112
Commodity Credit Corpo- ration.....	6 243,950,524							1,212,139,923	46,769,843	110,578,381	10,913,096,773
Disaster Loan Corporation	7 24,000,000		\$900,000,000	\$434,561,000		\$7,965,097,102	217,723	26,380,600	1,024,731	29,896	51,652,950
Export-Import Bank of Washington.....	1,000,000	7,000,000			174,000,000			135,142,802	34,487,634	9,573	351,640,009
Federal Deposit Insurance Corporation.....	150,000,000	199,707			139,269,557			155,986,342	536,715,462	5,181,418	987,382,487
Federal Farm Mortgage Corporation.....	7 100,000,000		365,000,000		\$124,741,000	41,978,328		608,216,112	604,126,802	28,052,463	1,807,373,705
Federal home loan banks...					58,000,000			1,119,503,535	57,027,654	986,854,319	1,446,126,508
Federal National Mortgage Association.....		44,375,975			11,000,000	2,390,523		208,856,921	47,466,533	1,659,769	315,749,721
Federal Public Housing Authority.....	34,685,946	32,848,722	308,000,000		100,000,000	974,105		866,940,531	62,673,064	1,630,010	1,397,752,377
Federal Savings and Loan Insurance Corporation									58,996,095	3,498,974	162,495,069
Home Owners' Loan Cor- poration.....	7 200,000,000		580,000,000	3,114,453,550		337,361,192		1,612,510,821	1,146,302,229	34,337,201	7,024,964,993
Reconstruction Finance Corporation <sup>1</sup> .....	325,000,000			176,000		38,085,743		6,510,665,458	865,360,816	142,640,655	16,474,415,795
RFC Mortgage Company, The.....		91,819,667			25,000,000	1,345,675		195,632,986	23,942,074	8,591,808	346,332,270
Rural Electrification Ad- ministration.....	145,422,933	232,121,887						39,635,756	35,562,440	141	452,743,157
War corporations <sup>2</sup> .....	154,000,000	7,559,033,691			36,601,000	3,570,489,902		143,403,923	29,876,913	2,594,109,027	14,057,514,456
Total.....	1,454,559,403	7,983,151,397	10,835,487,124	3,607,190,550	611,661,557	11,957,940,293	13,504,625,193	3,564,452,607	3,021,881,258	56,540,949,382	

NOTE.—Figures are rounded to nearest dollar and will not necessarily add to totals. Figures in this table do not agree in some instances with those appearing in statement published in the Treasury Bulletin, September 1944, due to addition to the war corporations in this table of Precinradio, Incorporated.

<sup>1</sup> Items in this column are the only ones in this statement which constitute a charge against the Federal Budget. They represent amounts of funds drawn against available appropriations.

<sup>2</sup> Except for the Home Owners' Loan Corporation, sales of obligations in the market, as shown in this column, are reduced by the amount of obligations which have been retired (including those which have in effect been refunded through the sale of obligations to the Treasury). In the case of the Home Owners' Loan Corporation, the original amount of obligations sold in the market is shown in this column and the retirement and refunding of these obligations are shown as "Retirement of obligations issued in exchange for mortgages" in the statement of uses of funds.

<sup>3</sup> Receipts from the sale of property acquired in liquidation of loans are shown as "Sale of other property acquired".

<sup>4</sup> Includes the Electric Home and Farm Authority, which was transferred for purposes of liquidation to the Reconstruction Finance Corporation by Executive order effective Oct. 31, 1942.

<sup>5</sup> Comprises Cargoes, Incorporated, Defense Homes Corporation, Defense Plant Corporation, Defense Supplies Corporation, Institute of Inter-American Affairs, Institute of

Inter-American Transportation, Inter-American Educational Foundation, Inc., Inter-American Navigation Corporation, Metals Reserve Company, Petroleum Reserves Corporation, Precinradio, Incorporated, Rubber Development Corporation, Rubber Reserve Company, Smaller War Plants Corporation, U. S. Commercial Company, and War Damage Corporation.

<sup>6</sup> Includes \$3,000,000 National Industrial Recovery Administration; \$87,000,000 Reconstruction Finance Corporation included in notes canceled by the Treasury (see footnote 8); and \$148,950,524 restoration of capital impairment, which is not of repayments to the Treasury of \$43,756,731 on the basis of Mar. 31, 1940, appraisal, and \$27,815,514 on the basis of Mar. 31, 1942, appraisal of the Corporation, pursuant to Public No. 442, approved Mar. 8, 1938.

<sup>7</sup> These funds were furnished by the Reconstruction Finance Corporation from the proceeds of its notes sold to the Treasury; such amounts being included in the total of obligations of the Corporation canceled by the Secretary of the Treasury pursuant to the act of Feb. 24, 1938.

<sup>8</sup> The Reconstruction Finance Corporation purchased the stock of the Federal home loan banks from the Treasury Department on Feb. 20, 1941. The net effect of this transaction is the same as a sale of stock to other agencies, and is shown as such for purposes of this report.

<sup>9</sup> Includes \$61,235,350 paid-in capital stock held by member institutions.

<sup>10</sup> Includes amount of \$176,000,000 1 percent Series X-B notes sold to the Treasury, which notes were resold to Federal land banks by the Treasury.

TABLE 94.—Uses of funds of certain Government corporations and credit agencies, fiscal year 1944 and cumulative through June 30, 1944

[On basis of reports received from the corporations and agencies]

Corporation or agency	Expenses		Purchase and improvement of property owned	Loans	Retirement of obligations issued in exchange for mortgages 1	Investments (net)	Allocations, rediscunts and loans to other Govern-ment,corpora-tions and credit agen-cies (net)	Interest and dividends paid	Other ex-penditures	Total, uses of funds
	Adminis-trative	Nonadmin-istrative								
Fiscal year 1944										
Central Bank for Cooperatives.....	\$104,750			\$224,634,199		—\$9,880,632		\$650,521	\$147,533	\$215,656,372
Commodity Credit Corporation.....	5,473,364		\$4,023,968,534	137,637,926			—\$80,090,729	3,121,898	255,160,352	4,345,271,374
Disaster Loan Corporation.....	303,654	—\$5,145		460,958			986,172		13	1,745,651
Export-Import Bank of Wash-ington.....	306,620	4,980		29,323,630			—9,400,000	10,812,849		31,048,079
Federal Deposit Insurance Cor-poration.....	3,992,946			7,331,185		115,537,095			—3,119,159	123,742,066
Federal Farm Mortgage Corpo-ration.....	7,785,002			30,491,699		—445,880,100		29,323,508	2,343,353	—374,290,675
Federal home loan banks.....	1,251,358		1,645,863	222,900,867		—22,958,608		2,599,659	483,932	203,877,208
Federal National Mortgage As-sociation.....	735,077	500,094		337,900				11,103,970	—17,167	12,659,874
Federal Public Housing Au-thority.....	2,444,223	699,136	14,595,128	4,578,350				2,695,873	10,129,997	35,142,707
Federal Savings and Loan In-surance Corporation.....	401,404	25,655				9,536,850			—1,044,483	8,919,425
Home Owners' Loan Corpora-tion.....	9,163,069	13,464,076	1,119,157	2,295,232	\$720,206,025	—56,858,160		36,329,530	—448,835	725,270,094
Reconstruction Finance Corpo-ration 1.....	8,964,357	602,326	—9,913	240,404,278		—2,000,000		66,656,739	4,759,729	3,036,340,698
RFC Mortgage Company, The.....	856,919	543,938	—116,854	49,790,676				2,655,186	369,932	54,099,797
Rural Electrification Adminis-tration.....	2,558,106			18,478,087				6,686,604		27,722,797
War corporations 1.....	14,523,206	287,590,312	4,641,242,225	58,966,255		2,000,000	66,735,114	1,937,753	1,036,995,258	6,109,990,124
Total.....	58,864,055	303,425,372	8,682,444,140	1,027,231,242	720,206,025	—410,503,555	2,695,193,740	174,574,090	1,305,760,485	14,557,195,591

From inception of organization through June 30, 1944										
Central Bank for Cooperatives.....	\$1,240,792	-----	-----	\$672,946,839	-----	\$3,878,790	-----	\$1,611,755	\$3,690,225	\$711,368,402
Commodity Credit Corporation.....	20,825,190	-----	-----	2,584,478,958	-----	-----	-----	46,854,131	300,787,116	10,902,673,287
Disaster Loan Corporation.....	4,123,692	-----	-----	30,713,105	-----	-----	-----	16,081,670	300,787,116	51,651,950
Export-Import Bank of Wash- ington.....	1,217,607	-----	-----	278,001,022	-----	-----	-----	57,350,000	593,801	350,360,652
Federal Deposit Insurance Cor- poration.....	35,554,537	-----	-----	205,216,012	-----	\$ 688,931,112	-----	-----	30,859,385	960,561,046
Federal Farm Mortgage Corpo- ration.....	101,621,212	-----	-----	1,117,022,787	-----	171,954,700	-----	366,701,738	26,451,872	1,805,098,491
Federal home loan banks.....	13,330,902	-----	-----	1,247,751,081	-----	\$ 131,973,331	-----	29,382,209	1,002,194	1,423,493,677
Federal National Mortgage As- sociation.....	5,580,108	-----	-----	271,418,924	-----	-----	-----	32,476,633	256,407	315,749,721
Federal Public Housing Au- thority.....	25,200,636	-----	-----	1,178,859,663	-----	\$ 7,070,000	-----	14,170,869	34,685,946	1,352,770,352
Federal Savings and Loan In- surance Corporation.....	2,323,534	-----	-----	-----	-----	\$ 146,988,843	-----	3,085,325	\$ 9,018,320	161,494,698
Home Owners' Loan Corpora- tion.....	247,665,920	-----	-----	3,275,529,972	-----	\$ 2,295,149,875	-----	615,528,183	6,465,744	6,924,603,315
Reconstruction Finance Corpo- ration.....	110,998,457	-----	-----	8,285,494,877	-----	-----	-----	369,040,294	23,485,686	16,443,820,218
RFC Mortgage Company, The.....	6,913,724	-----	-----	311,790,882	-----	367,041,601	-----	7,273,779,637	778,651	346,331,143
Rural Electrification Adminis- tration.....	20,384,770	-----	-----	387,630,670	-----	-----	-----	25,501,834	371,526	433,888,801
War corporations.....	28,327,813	-----	-----	373,076,156	-----	3,000,000	-----	234,541,757	2,044,712,861	13,942,245,690
Total.....	625,308,954	-----	-----	20,219,961,038	-----	2,295,149,875	-----	1,532,575,643	2,483,159,901	56,126,087,443

NOTE.—Figures are rounded to nearest dollar and will not necessarily add to totals. Figures in this table do not agree in some instances with those appearing in statement published in the Treasury Bulletin, September 1944, due to addition to the war corpora-  
tions in this table of Prencinradio, Incorporated.

<sup>1</sup> Receipts from the repayment of mortgage loans appear under "Repayment of Loans" in the table preceding on sources of funds.

<sup>2</sup> Includes expenditures for contributions and subrogated shares or claims in insured financial institutions.

<sup>3</sup> Includes the Electric Home and Farm Authority, which was transferred for purposes of liquidation to the Reconstruction Finance Corporation by Executive order effective Oct. 31, 1942.

<sup>4</sup> Comprised Cargoes, Incorporated, Defense Homes Corporation, Defense Plant Cor-

poration, Defense Supplies Corporation, Institute of Inter-American Affairs, Institute of Inter-American Transportation, Inter-American Educational Foundation, Inc., Inter-American Navigation Corporation, Metals Reserve Company, Petroleum Reserves Corporation, Prencinradio, Incorporated, Rubber Development Corporation, Rubber Reserve Company, Smaller War Plants Corporation, U. S. Commercial Company, and War Damage Corporation.

<sup>5</sup> Includes U. S. Government bonds in the amount of \$844,818,453 as follows: Federal Deposit Insurance Corporation, \$500,931,112; Federal Savings and Loan Insurance Corporation, \$117,000,000; Federal Public Housing Authority, \$7,070,000; Federal home loan banks \$114,757,341; Central Bank for Cooperatives, \$15,050,000.

<sup>6</sup> Includes the retirement of those obligations which were in effect refunded through sale of securities to the Treasury.

## STOCK AND CIRCULATION OF MONEY IN THE UNITED STATES

TABLE 95.—*Stock of money, money in the Treasury, in the Federal Reserve Banks, and in circulation, by kinds, June 30, 1944*

Kind of money	Stock of money	Money held in the Treasury				Money outside of the Treasury			Population of continental United States (estimated)	
		Total	Amount held against gold and silver certificates (and Treasury notes of 1890)	Reserve against United States notes (and Treasury notes of 1890)	Held for Federal Reserve Banks and agents	All other money	Total	Held by Federal Reserve Banks and agents		
										In circulation <sup>1</sup>
Gold	2 \$21,173,065,544	\$21,173,065,544	\$19,063,519,584	\$156,039,431		3 \$1,953,506,529	\$2,869,408,389	\$2,815,444,500	\$53,963,889	\$0.39
Gold certificates	(19,063,519,581)	(16,194,111,195)			4 (\$16,194,111,195)	94,177,201	105,172,574	1,847,809	103,324,765	.75
Standard silver dollars	494,337,395	389,164,821	294,987,020							
Silver bullion	1,520,133,653	1,520,133,653	1,520,133,653							
Silver certificates	4 (1,813,967,601)									
Treasury notes of 1890	4 (1,153,672)									
Subsidiary silver	734,488,137	20,021,865					1,813,967,601	226,276,281	1,587,691,320	11.50
Minor coin	276,392,664	9,176,374					1,153,672	14,444,288	700,021,984	5.07
United States notes	346,081,016	2,207,124					9,176,374	4,441,678	262,774,612	1.90
Federal Reserve notes	19,527,973,590	58,782,292					2,207,124	344,473,892	322,293,084	2.34
Federal Reserve Bank notes							58,782,292	718,990,160	18,750,201,138	135.87
Notes	605,010,799	667,935					667,935	7,312,510	597,030,354	4.33
National bank notes	127,218,244	472,973					472,973	858,550	125,886,721	.91
Total June 30, 1944	44,805,301,042	23,173,692,581	20,878,640,857	156,039,431	4 (16,194,111,195)	† 2,139,012,293	7 26,316,138,123	3,811,796,584	22,504,341,539	163.07
Comparative totals:										
June 30, 1943	40,868,265,576	24,466,764,442	22,199,034,957	156,039,431		21,191,591,239	3,770,331,266	17,421,259,973	† 127.64	
October 31, 1920	8,479,620,824	2,436,864,530	718,674,378	152,979,026		6,761,430,672	1,063,216,000	5,698,214,612	53.21	
March 31, 1917	5,396,596,677	2,952,020,313	2,681,691,072	152,979,026		5,126,267,436	953,321,522	4,172,945,914	40.23	
June 30, 1914	3,797,825,069	1,845,569,804	1,507,178,879	150,000,000		3,459,434,174	3,459,434,174	3,459,434,174	34.93	
January 1, 1879	1,007,084,483	212,420,402	21,602,640	100,000,000		90,817,762	816,266,721	816,266,721	16.92	
										48,231,000

NOTE.—For description of security held, see note 2, p. 776.

† Revised.

1 The money in circulation includes any paper currency held outside the continental limits of the United States.

2 Does not include gold other than that held by the Treasury.

3 Includes \$1,800,000,000 exchange stabilization fund and \$143,883,699 balance of increment resulting from reduction in weight of the gold dollar.

4 These amounts are not included in the total, since the gold or silver held as security against gold and silver certificates and Treasury notes of 1890 is included under gold, standard silver dollars, and silver bullion, respectively.

5 This total includes credits with the Treasurer of the United States payable in gold certificates in (1) the gold certificate fund—Board of Governors, Federal Reserve System, in the amount of \$15,783,430,886, and (2) the redemption fund for Federal Reserve notes in the amount of \$410,180,369.

6 Includes \$102,000,000 lawful money deposited as a reserve for Postal Savings deposits.

7 The amount of gold and silver certificates and Treasury notes of 1890 should be deducted from this amount before combining with total money held in the Treasury to arrive at the total amount of money in the United States.





TABLE 97.—*Stock of money, by kinds, at the end of each fiscal year from 1913 through 1944*<sup>1</sup>  
[Dollars in thousands]

June 30—	Gold <sup>2</sup>	Silver bul- lion <sup>3</sup>	Standard silver dollars <sup>2</sup>	Subsidiary silver	Minor coin	United States notes <sup>2</sup>	Federal Re- serve notes <sup>2</sup>	Federal Re- serve Bank notes <sup>2</sup>	National bank notes <sup>2</sup>	Total <sup>3</sup>	Percentage of gold to total money
1913	\$1,890,762		\$568,273	\$175,196	\$56,951	\$346,681			\$759,158	\$3,777,021	49.53
1914	1,890,657		568,272	182,007	59,536	346,681			759,672	3,797,825	49.78
1915	1,983,339		568,272	183,430	61,327	346,681			819,274	4,050,783	49.02
1916	2,444,636		568,271	188,430	63,909	346,681			744,175	4,511,730	53.83
1917	3,220,212		568,271	198,275	69,688	346,681			715,420	5,678,774	56.71
1918	3,162,808		499,516	231,857	72,146	346,681			724,505	6,906,237	45.80
1919	3,113,306		308,146	242,870	82,909	346,681			719,277	7,688,413	40.49
1920	2,865,482		288,857	253,855	92,479	346,681			719,033	8,585,877	35.12
1921	3,274,730		288,788	271,314	98,522	346,681			743,290	8,174,528	40.06
1922	3,784,652		491,877	271,211	98,593	346,681			758,202	8,276,070	45.73
1923	4,049,554		491,884	291,186	99,056	346,681			747,440	8,702,738	46.53
1924	4,488,391		503,755	277,614	102,445	346,681			778,012	8,846,542	50.74
1925	4,360,382		522,661	283,472	104,004	346,681			733,366	8,290,382	52.54
1926	4,447,397		533,941	288,923	108,891	346,681			716,982	8,428,971	52.76
1927	4,587,298		537,944	295,590	113,295	346,681			702,669	8,667,282	52.93
1928	4,109,163		539,961	299,010	116,689	346,681			704,146	8,118,091	50.62
1929	4,124,351		539,961	304,157	120,640	346,681			704,294	8,538,796	50.64
1930	4,534,866		539,960	301,978	126,001	346,681			698,317	8,306,564	54.50
1931	4,965,921		539,958	305,619	126,857	346,681			697,004	9,074,624	54.38
1932	3,918,596		540,068	304,853	126,437	346,681			736,674	9,094,505	43.52
1933	4,317,554		540,067	298,634	126,746	346,681			970,601	10,078,417	42.84
1934	7,856,181	\$1,560	540,067	295,892	127,711	346,681			970,601	13,634,351	57.62
1935	9,115,643	313,309	545,642	312,416	133,040	346,681			151,035	15,113,035	60.32
1936	10,608,417	708,211	547,080	331,716	139,057	346,681			371,722	17,402,493	60.90
1937	12,318,271	1,037,163	547,079	358,899	150,954	346,681			272,164	19,376,690	63.57
1938	12,962,954	1,835,196	547,079	373,451	157,183	346,681			220,688	20,096,865	64.50
1939	16,110,079	1,230,586	547,079	379,812	161,147	346,681			189,292	23,734,736	67.82
1940	19,963,091	1,353,162	547,078	402,261	173,909	346,681			107,190	28,457,960	70.15
1941	22,624,198	1,435,909	547,078	447,248	199,364	346,681			151,909	32,774,611	69.03
1942	22,736,705	1,505,844	547,077	529,814	224,748	346,681			140,337	35,840,908	63.43
1943	22,287,522	1,519,746	538,906	529,814	244,808	346,681			133,358	40,808,266	54.78
1944	21,173,066	1,520,134	494,337	734,488	276,303	346,681			127,218	44,805,301	47.26

<sup>1</sup> See note 1, p. 775. For figures for prior to 1913, see annual report for 1928, pp. 552-553.

<sup>2</sup> A part of the gold and silver included in the stock of money is held as a reserve against other kinds of money, as follows: (1) As a reserve for United States notes and Treasury notes of 1890—gold bullion varying in amount from \$150,000,000 to \$156,039,431 during the years included in the table; (2) as security for Treasury notes of 1890—an equal dollar amount in standard silver dollars (these notes are being canceled and retired on receipt); (3) as security for outstanding silver certificates—silver in bullion and standard silver dollars of a monetary value equal to the face amount of such silver certificates; and (4) as security for gold certificates—gold bullion of a value at the legal standard equal to the face amount of such gold certificates. Federal Reserve notes are obligations of the United States and a first lien on all the assets of the issuing Federal Reserve Bank. Federal Reserve notes are secured by the deposit with Federal Reserve agents of a like amount of gold certificates or of gold certificates and such discounted or purchased paper as is eligible under the terms of the Federal Reserve Act, or, until June 30, 1945, of direct obligations of the United States if so authorized by a majority vote of the Board of Governors of the Federal Reserve System. Federal Reserve Banks must maintain a reserve in gold certificates of at least 40 percent, including the redemption fund which must be deposited with the Treasurer of the United States, against Federal Reserve notes in actual circulation. "Gold certificates" as herein used includes credits with the Treasurer of the United States payable in gold certificates. Federal Reserve Bank notes and national bank notes are in process of retirement. The monetary value of gold was changed from \$20.67 + per fine ounce to \$35.00 per fine ounce on Jan. 31, 1934.

<sup>3</sup> The totals involve a duplication to the extent that United States notes, Federal Reserve notes, and national bank notes, all included in full, are in part secured by gold, also included in full. Gold certificates, silver certificates, and Treasury notes of 1890 have been excluded, however, since they are complete duplications of the equal amounts of gold or silver held as security therefor and included in the totals.

TABLE 98.—*Money in circulation, by kinds, at the end of each fiscal year from 1913 through 1944*<sup>1</sup>  
(Dollars in thousands)

June 30—	Gold coin	Gold certificates <sup>2</sup>	Standard silver dollars	Silver certificates <sup>2</sup>	Treasury notes of 1890 <sup>2</sup>	Subsidiary silver	Minor coin	United States notes <sup>2</sup>	Federal Reserve notes <sup>2</sup>	Federal Reserve Bank notes <sup>2</sup>	National bank notes <sup>2</sup>	Total
1913	\$608,401	\$1,003,998	\$72,127	\$469,129	\$2,657	\$154,458	\$54,954	\$337,215			\$715,754	\$3,418,692
1914	611,545	1,036,149	70,300	478,602	2,428	159,966	57,419	337,846			715,180	3,459,434
1915	587,537	821,869	64,499	463,147	2,245	159,043	58,516	309,796			782,120	3,319,582
1916	624,939	1,050,266	66,234	476,779	2,098	171,178	62,998	328,227			716,204	3,649,258
1917	663,515	1,082,926	77,551	468,365	1,970	173,745	68,411	311,595		\$1,683	690,635	4,046,404
1918	537,230	511,190	77,201	370,349	1,851	216,492	71,958	291,839		1,698,198	691,407	4,481,697
1919	474,875	327,552	79,041	163,445	1,743	228,316	81,780	274,119		2,450,278	109,070	4,876,638
1920	289,067	237,082	76,749	197,066	1,636	248,863	90,958	281,844		2,094,742	155,014	5,467,589
1921	474,822	290,352	65,883	184,843	1,576	233,295	91,409	259,170		2,593,398	129,342	721,421
1922	415,937	173,342	57,973	265,335	1,510	229,310	89,157	232,340		2,138,715	71,808	4,463,172
1923	404,181	386,456	57,262	364,258	1,460	247,307	93,897	302,749		2,234,660	19,969	4,823,275
1924	393,330	304,414	54,015	304,414	1,423	252,995	96,952	297,749		1,843,106	10,093	4,849,307
1925	402,297	1,004,823	54,289	352,780	1,387	262,009	100,307	282,578		1,636,108	6,921	4,815,208
1926	391,703	1,057,371	51,577	377,741	1,356	270,072	104,194	294,916		1,679,407	5,453	4,855,296
1927	377,028	1,007,075	48,717	375,798	1,327	275,605	108,132	292,205		1,702,843	4,606	4,851,321
1928	368,488	934,994	46,222	384,577	1,304	278,175	111,061	298,438		1,626,433	4,029	4,796,626
1929	357,236	934,994	43,684	387,073	1,283	284,226	115,210	292,188		1,602,721	3,616	4,746,297
1930	357,236	994,841	34,629	386,915	1,260	281,231	117,436	298,389		1,602,721	3,616	4,746,297
1931	363,020	996,510	34,326	377,149	1,240	273,147	117,393	299,427		1,708,429	2,929	4,821,933
1932	452,763	715,683	30,115	352,605	1,222	256,220	113,619	289,076		2,780,229	2,746	5,695,171
1933	265,487	265,487	27,995	360,699	1,186	256,865	112,532	268,608		3,069,494	125,843	5,730,764
1934	149,740	30,013	30,013	401,450	1,189	280,400	119,142	279,608		3,068,404	919,614	5,730,764
1935	117,167	32,308	32,308	701,473	1,182	295,773	125,125	285,417		3,222,913	81,470	5,373,470
1936	100,771	33,029	33,029	934,592	1,177	310,576	134,091	278,190		4,002,916	51,951	5,657,093
1937	88,116	38,046	38,046	1,078,071	1,172	340,837	144,107	281,439		4,168,780	366,105	6,241,200
1938	78,500	39,446	1,230,156	1,230,156	1,169	341,942	145,625	262,153		4,114,338	268,862	6,447,056
1939	71,930	42,407	1,453,573	1,453,573	1,166	361,209	134,869	265,962		4,143,338	30,118	7,046,743
1940	66,793	46,020	1,581,662	1,581,662	1,163	384,187	168,977	247,887		5,163,284	160,155	7,847,501
1941	62,872	52,992	1,713,508	1,713,508	1,161	433,485	193,953	269,514		6,684,209	20,268	9,612,432
1942	56,909	66,093	1,754,255	1,754,255	1,158	503,947	213,144	316,886		9,310,135	18,717	12,382,866
1943	59,399	83,701	1,648,571	1,648,571	1,155	610,005	235,672	322,343		13,746,612	132,131	17,421,260
1944	53,964	103,325	1,587,691	1,587,691	1,154	700,022	262,775	322,293		18,750,201	125,887	22,504,342

<sup>1</sup> See note 1, p. 775. For figures for years prior to 1913, see annual report for 1928, pp. 554-555.<sup>2</sup> For description of security held for redemption, see note 2, p. 776.<sup>3</sup> Under the order of the Secretary of the Treasury of Dec. 28, 1933, as amended and supplemented on Jan. 11 and 15, 1934, all gold coin domestically owned (with minor exceptions) was required to be delivered for the account of the Treasurer of the United States, and under the Gold Reserve Act of 1934 (Jan. 30) withdrawn from circulation and formed into bars. Gold coin (\$287,000,000) shown on Treasury records as being then outstanding was dropped from the monthly circulation statement as of Jan. 31, 1934.



33 1/2% March 1946-56	194	203	204	202	195	(*)	(*)	(*)	20	17	17	15	14	57	87	84	73	72
3% June 1946-48	418	417	425	432	424	(*)	(*)	(*)	50	47	46	38	30	141	140	137	117	116
3 3/4% June 1946-49	317	327	322	343	324	(*)	(*)	(*)	37	33	31	21	108	107	105	90	90	90
3 1/4% October 1947-52	271	277	283	299	338	(*)	(*)	(*)	40	37	35	30	19	73	73	61	41	41
2 7/8% December 1947	560	562	561	566	573	(*)	(*)	(*)	9	8	7	3	5	5	5	6	5	5
2 3/4% March 1948-51	722	783	788	790	816	(*)	(*)	(*)	44	35	33	26	23	140	97	86	68	68
2 1/2% September 1948	349	347	349	345	341	(*)	(*)	(*)	7	7	6	4	2	25	24	24	23	23
2 7/8% December 1948-50	436	445	443	414	453	(*)	(*)	(*)	7	5	5	3	2	6	5	5	5	5
3 1/8% December 1949-52	261	276	269	295	304	(*)	(*)	(*)	29	23	22	20	18	64	56	57	44	43
2 1/2% December 1949-53	1,128	1,167	1,173	1,184	1,206	(*)	(*)	(*)	9	9	8	24	19	46	42	41	39	38
2 1/2% September 1950-52	1,726	707	834	898	920	(*)	(*)	(*)	62	31	40	40	29	94	83	64	39	43
2 3/4% June 1951-54	868	875	883	926	971	(*)	(*)	(*)	80	68	59	42	30	247	234	227	187	187
3% September 1951-55	245	261	259	288	298	(*)	(*)	(*)	32	25	21	26	20	57	59	53	52	52
2 1/4% December 1951-53	803	828	846	856	851	(*)	(*)	(*)	20	25	8	7	6	24	18	17	17	17
2 1/2% June 1953-55	609	614	618	621	621	(*)	(*)	(*)	10	6	3	3	2	2	2	2	2	2
2 3/4% June 1954-56	428	448	446	467	463	(*)	(*)	(*)	10	10	9	6	6	64	61	48	47	46
2 7/8% March 1955-60	684	754	795	883	897	(*)	(*)	(*)	31	31	27	74	62	339	273	252	210	107
2 3/4% June 1955-60	389	416	422	442	443	(*)	(*)	(*)	16	16	18	24	36	104	156	156	149	140
2 3/4% September 1956-59	295	336	368	391	398	(*)	(*)	(*)	37	32	25	25	23	275	257	250	217	207
2 3/4% June 1958-63	546	609	622	679	762	(*)	(*)	(*)	74	80	80	55	48	319	290	243	209	163
2 3/4% December 1960-65						(*)	(*)	(*)										
Total Treasury bonds	12,682	13,465	12,858	12,668	12,848	88	87	96	114	114	684	552	456	2,801	2,432	2,309	1,926	1,705
Guaranteed issues: <sup>6</sup>																		
Federal Farm Mortgage Corporation:																		
3 1/4% March 1944-64	26	28	27	25		(*)	(*)	(*)	11	6	6	1		26	25	25		
3% May 1944-49	474	511	484			(*)	(*)	(*)	13	6	6			98	96	92	10	
Federal Housing Administration debentures (all series):																		
Home Owners' Loan Corporation:																		
3% May 1944-52	6	7	7	7	7	(*)	(*)	(*)	1	1	1	1	1	14	12	12	12	12
1 1/2% June 1945-47	418	453	410	21		(*)	(*)	(*)	26	13	12	2		62	60	60	6	
Federal Public Housing Authority:	607	638	629	615	578	(*)	(*)	(*)	7	4	4	3	3	37	37	37	36	1
1 3/8% February 1944	90	86	80			(*)	(*)	(*)	(*)	(*)	(*)			(*)	(*)	(*)		
Total guaranteed issues	1,622	1,723	1,638	667	585	1	1	1	1	1	30	28	7	238	231	226	64	13
Total partially exempt from Federal income taxes	14,304	15,188	14,496	13,336	13,433	89	88	97	115	115	712	559	460	3,039	2,663	2,535	1,990	1,718

Footnotes at end of table.

TABLE 99.—Summary data from *Treasury survey of the ownership of securities issued or guaranteed by the United States*—Continued

PART A. OWNERSHIP BY CLASSES OF HOLDERS OF EACH ISSUE OF PUBLIC MARKETABLE INTEREST-BEARING SECURITIES: ON QUARTERLY DATES FROM JUNE 30, 1943, THROUGH JUNE 30, 1944 (PAR VALUES IN MILLIONS OF DOLLARS)—Continued

Issue, classified by Federal income tax status	I. Held by commercial banks <sup>23</sup>				II. Held by stock savings banks <sup>24</sup>				III. Held by mutual savings banks <sup>25</sup>				IV. Held by life insurance companies			
	June 30, 1943	Sept. 30, 1943	Dec. 31, 1943	June 30, 1944	June 30, 1943	Sept. 30, 1943	Dec. 31, 1943	June 30, 1944	June 30, 1943	Sept. 30, 1943	Dec. 31, 1943	June 30, 1944	June 30, 1943	Sept. 30, 1943	Dec. 31, 1943	June 30, 1944
3. Subject to Federal income taxes:																
Treasury bills.....	6,502	6,447	4,716	4,606	4,894	(*)	1	(*)	21	7	10	8	145	1	08	1
Certificates of indebtedness:						(*)	1	(*)	13	13	13	1	1	5	1	
1½% August 1943.....	1,002	1,295	---	---	---	1	(*)	---	21	21	13	---	3	3	---	---
1½% November 1943.....	1,277	2,343	---	---	---	1	1	---	34	13	15	---	16	2	---	---
1½% December 1943.....	2,425	1,089	1,379	---	---	2	1	---	100	21	41	28	83	3	13	---
1½% February 1944.....	1,528	3,030	2,568	2,995	---	7	6	3	9	6	4	---	4	3	2	---
1½% April 1944.....	2,278	1,315	1,178	1,122	---	1	1	1	100	7	17	5	1	16	23	36
1½% May 1944.....	1,301	1,998	1,864	1,679	1,747	1	3	4	9	6	4	---	4	3	1	1
1½% August 1944.....	---	---	---	---	---	---	3	3	3	100	98	16	12	1	23	6
1½% September 1944.....	---	47	751	1,542	2,002	---	4	6	3	7	15	6	7	1	14	9
1½% October 1944.....	---	---	2,502	2,511	2,460	---	1	2	3	100	19	8	7	1	28	27
1½% December 1944.....	---	2,443	2,480	2,445	---	---	1	1	3	100	19	8	7	1	28	27
1½% February 1945.....	---	---	589	3,165	---	---	---	8	3	96	96	29	16	1	13	70
1½% April 1945.....	---	---	---	1,174	---	---	---	1	1	---	---	2	1	1	---	13
1½% May 1945.....	---	---	---	---	---	---	---	3	1	---	---	48	1	1	---	1
1½% June 1945.....	---	---	41	---	---	---	---	---	---	---	---	---	---	---	---	4
Total certificates of indebtedness.....	9,810	11,919	12,684	12,918	15,013	13	16	26	184	169	208	163	111	47	160	235
Treasury notes:						(*)	(*)	(*)	15	9	9	7	22	22	22	19
3½% September 1944.....	453	473	451	441	451	(*)	(*)	(*)	28	19	20	17	36	35	24	14
3½% March 1945.....	1,112	1,127	1,104	1,142	1,191	(*)	1	(*)	9	12	13	10	20	20	24	19
1½% December 1945.....	400	401	393	376	382	(*)	(*)	(*)	15	10	9	8	24	24	21	23
1½% March 1946.....	385	391	392	372	359	(*)	(*)	(*)	76	70	71	76	39	21	21	19
1½% December 1946.....	2,386	2,507	2,496	2,490	2,512	(*)	1	1	---	---	---	---	---	---	---	45
1½% March 1947.....	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	25
1½% September 1947.....	---	2,085	2,092	2,120	2,107	---	5	6	---	73	72	65	---	34	33	32
1½% September 1948.....	---	---	2,640	2,803	---	---	2	3	---	---	---	57	---	---	15	12
Total Treasury notes.....	4,737	6,985	6,927	11,174	11,481	2	6	13	144	193	195	243	140	155	144	158

Treasury bonds:	522	543	569	597	690	(*)	4	(*)	(*)	(*)	152	132	111	122	111	202	197	196	172	86
2 1/2% March 1948-50.....	2,151	2,204	2,207	2,181	2,239	(*)	4	2	2	2	183	75	73	91	109	186	176	168	170	129
1 3/4% June 1948.....	614	662	683	711	690	(*)	(*)	(*)	(*)	(*)	122	107	98	82	79	140	144	118	120	118
2% June 1949-51.....	850	880	899	907	927	(*)	1	1	1	1	130	130	113	115	96	108	130	130	107	108
2% September 1949-51.....	1,333	1,382	1,398	1,411	1,445	3	3	3	4	5	150	126	126	118	105	185	199	200	162	160
2% December 1949-51.....	1,421	1,485	1,451	1,419	1,435	3	3	3	4	5	104	77	116	144	156	209	215	214	162	176
2% March 1950-52.....	2,270	2,674	2,584	2,631	2,602	4	4	2	5	6	422	208	292	316	324	582	540	548	548	543
2% September 1950-52.....	335	347	355	350	360	1	11	5	18	18	894	975	745	526	526	561	561	723	678	678
2% September 1951-53.....	263	269	272	291	298	(*)	(*)	1	2	2	19	15	15	15	25	26	29	26	25	25
2% December 1951-55.....	614	644	657	695	711	(*)	(*)	(*)	1	12	329	329	322	310	295	130	130	128	121	121
2% March 1952-54.....	293	244	242	267	274	(*)	9	9	9	9	316	303	308	302	298	503	505	504	502	490
2% June 1952-54.....	293	244	242	267	274	(*)	9	9	9	9	316	303	308	302	298	503	505	504	502	490
2 1/4% June 1952-55.....	293	244	242	267	274	(*)	9	9	9	9	316	303	308	302	298	503	505	504	502	490
2 1/4% March 1952-55.....	293	244	242	267	274	(*)	9	9	9	9	316	303	308	302	298	503	505	504	502	490
2 1/4% June 1952-55.....	293	244	242	267	274	(*)	9	9	9	9	316	303	308	302	298	503	505	504	502	490
2 1/4% September 1950-59.....	293	244	242	267	274	(*)	9	9	9	9	316	303	308	302	298	503	505	504	502	490
2 1/2% June 1952-57.....	293	244	242	267	274	(*)	9	9	9	9	316	303	308	302	298	503	505	504	502	490
2 1/2% December 1953-58.....	293	244	242	267	274	(*)	9	9	9	9	316	303	308	302	298	503	505	504	502	490
2 1/2% June 1954-69.....	293	244	242	267	274	(*)	9	9	9	9	316	303	308	302	298	503	505	504	502	490
2 1/2% June 1954-69.....	293	244	242	267	274	(*)	9	9	9	9	316	303	308	302	298	503	505	504	502	490
2 1/2% December 1954-69.....	293	244	242	267	274	(*)	9	9	9	9	316	303	308	302	298	503	505	504	502	490
2 1/2% March 1955-70.....	293	244	242	267	274	(*)	9	9	9	9	316	303	308	302	298	503	505	504	502	490
2 1/2% September 1957-72.....	293	244	242	267	274	(*)	9	9	9	9	316	303	308	302	298	503	505	504	502	490
Total Treasury bonds.....	11,410	12,298	15,241	16,454	17,818	48	53	69	129	130	3,786	4,618	4,822	5,647	6,280	7,143	9,019	9,407	11,030	12,268
Guaranteed issues: <sup>a</sup>																				
Commodity Credit Corporation:																				
1 3/8% February 1945.....	306	332	330	352	362	(*)	(*)	(*)	(*)	(*)	8	6	6	6	2	22	21	21	5	4
Reconstruction Finance Corporation:																				
1 3/8% July 1943.....	252					(*)	(*)	(*)	(*)	(*)	3	6				1				
1% April 1944.....	420	500	497	13		(*)	(*)	(*)	(*)	(*)	7	6	4	(*)		4	4	(*)		
Total guaranteed issues.....	979	832	827	365	362	(*)	(*)	(*)	(*)	(*)	19	12	10	6	2	27	25	25	5	4
Total subject to Federal income taxes.....	33,438	38,482	40,395	45,517	49,568	64	77	93	159	175	4,154	5,002	5,248	6,067	6,696	7,567	9,246	9,804	11,414	12,524
Total public marketable interest-bearing securities.....	48,516	54,296	55,359	59,084	63,233	153	165	190	274	290	5,168	5,808	5,962	6,626	7,158	10,630	11,913	12,342	13,407	14,242

Footnotes at end of table.

#### 4. Total public marketable interest-

Total subject to Fed-

----- MAY TWENTY 0/7

reconstruction finance corporation:

Community Credit Collection:

Total Treasury bonds.....

2 1/2% March 1963-70  
2 1/2% September 1967-72

2 1/2% December 1963-68  
2 1/2% June 1964-69

21 1/2% March 1936-38  
21 1/4% September 1956-59

2 1/2% March 1952-54  
2% June 1952-54

2% September 1950-52  
2% September 1951-53

2% September 1949-51.....

2% March 1948-50  
13% June 1948





21 5/8% December 1945.....	30	14	26	25	21	19	19	18	100	102	107	141	202	541	541	541
3 3/4% March 1946-56.....	14	14	14	14	12	70	70	73	104	99	100	100	119	489	489	489
3 3/4% June 1946-48.....	31	31	31	30	26	203	205	210	190	195	192	200	227	1,036	1,036	1,036
3 3/4% June 1946-48.....	22	22	22	22	18	88	88	89	246	242	250	254	278	819	819	819
4 1/4% October 1947-52.....	41	35	33	34	37	82	82	81	81	235	232	233	243	759	759	759
2 3/4% December 1947.....	31	31	31	30	28	1	1	(*)	94	93	93	97	90	701	701	701
2 3/4% March 1948-51.....	35	36	36	36	33	162	161	160	115	111	108	123	121	1,223	1,223	1,223
2 3/4% September 1948.....	15	15	16	16	14	49	44	44	55	58	57	63	70	451	451	451
2 3/4% December 1948-50.....	24	24	21	20	16	41	41	40	45	46	54	54	50	571	571	571
3 1/8% December 1949-52.....	26	25	26	26	27	41	41	40	71	69	76	66	59	491	491	491
2 1/8% December 1949-53.....	60	63	64	62	56	235	231	231	230	239	240	237	228	1,786	1,786	1,786
2 1/8% September 1950-52.....	49	51	54	55	52	118	118	117	137	134	134	134	134	1,186	1,186	1,186
2 3/4% June 1951-54.....	65	65	67	67	68	167	167	169	168	168	168	189	194	1,627	1,627	1,627
3 3/4% September 1951-55.....	26	27	27	30	34	85	80	79	79	101	304	309	269	755	755	755
2 3/4% September 1951-53.....	29	28	31	37	33	116	109	107	126	110	99	93	103	1,118	1,118	1,118
2 3/4% June 1952-55.....	25	25	26	23	24	18	16	14	44	60	62	59	61	725	725	725
2 3/4% June 1954-56.....	37	37	36	37	34	37	46	44	95	79	89	77	83	681	681	681
2 3/4% March 1955-56.....	122	125	126	130	126	359	357	361	362	996	985	973	919	2,611	2,611	2,611
2 3/8% March 1955-60.....	68	70	69	68	62	129	128	128	134	170	175	156	138	982	982	982
2 3/4% September 1956-59.....	65	68	68	74	72	69	68	70	161	141	123	123	131	919	919	919
2 3/4% June 1958-63.....	96	101	107	111	110	109	107	108	335	320	317	306	277	1,485	1,485	1,485
2 3/4% December 1960-65.....																
Total Treasury bonds.....	1,045	1,032	1,032	1,015	939	2,923	2,862	2,697	5,653	5,476	5,051	4,846	4,726	26,127	24,726	23,530
Guaranteed issues: 6																
Federal Farm Mortgage Cor-																
poration:																
3 1/4% March 1944-64.....	1	1	1	1	---	3	3	8	27	32	28	---	---	95	95	---
3 3/4% May 1944-49.....	6	6	6	1	---	23	13	26	220	203	221	122	---	835	835	159
Federal Housing Adminis-																
tration debentures (all																
series).....	(*)	(*)	(*)	(*)	(*)	1	1	1	2	2	1	1	1	23	22	23
Home Owners' Loan Corpo-																
ration:																
3 3/4% May 1944-52.....	6	6	6	1	---	14	14	35	252	232	255	152	---	779	779	182
1 1/2% June 1945-47.....	8	8	8	7	5	3	3	1	92	66	75	91	107	755	755	755
Federal Public Housing Au-																
thority:																
1 3/8% February 1944.....	2	1	1	---	---	(*)	(*)	(*)	22	26	32	---	---	114	114	---
Total guaranteed issues.....	23	22	22	9	6	44	33	73	615	560	613	367	108	2,691	2,600	1,118
Total partially exempt																
from Federal income																
taxes.....	1,068	1,054	1,054	1,025	965	2,967	2,895	2,769	6,267	6,037	5,603	5,213	4,894	28,728	27,326	24,649
																23,986

Footnotes at end of table.

TABLE 99.—Summary data from *Treasury survey of the ownership of securities issued or guaranteed by the United States*—ContinuedPART A. OWNERSHIP BY CLASSES OF HOLDERS OF EACH ISSUE OF PUBLIC MARKETABLE INTEREST-BEARING SECURITIES<sup>1</sup> ON QUARTERLY DATES FROM JUNE 30, 1943, THROUGH JUNE 30, 1944 (PAR VALUES IN MILLIONS OF DOLLARS)—Continued

Issue, classified by Federal income tax status	June 30, 1943	Sept. 30, 1943	Dec. 31, 1943	Mar. 31, 1944	June 30, 1944	V. Held by fire, casualty, and marine insurance companies						VI. Held by Federal Reserve Banks and United States Government agencies and trust funds						VII. Held by all other investors						VIII. Grand total held by all investors in public marketable interest-bearing securities					
	June 30, 1943	Sept. 30, 1943	Dec. 31, 1943	Mar. 31, 1944	June 30, 1944	June 30, 1943	Sept. 30, 1943	Dec. 31, 1943	Mar. 31, 1944	June 30, 1944	June 30, 1943	Sept. 30, 1943	Dec. 31, 1943	Mar. 31, 1944	June 30, 1944	June 30, 1943	Sept. 30, 1943	Dec. 31, 1943	Mar. 31, 1944	June 30, 1944	June 30, 1943	Sept. 30, 1943	Dec. 31, 1943	Mar. 31, 1944	June 30, 1944				
3. Subject to Federal income taxes: Treasury bills	9	3	3	9	(*)	3,826	5,353	6,788	6,540	8,878	1,361	1,242	1,484	1,983	960	11,864	13,054	13,072	13,147	14,734	11,864	13,054	13,072	13,147	14,734				
Certificates of indebtedness:																													
7 1/2% August 1943	17					284					298					1,009	2,035				1,009	2,035							
7 1/2% November 1943	24	15				381	381				335	334				3,800	3,800				3,800	3,800							
7 1/2% December 1943	38	17				152	273				1,100	950				2,211	2,211				2,211	2,211							
7 1/2% February 1944	41	26	26			33	74	278			538	405	501			5,251	5,251	2,211			5,251	5,251	2,211						
7 1/2% April 1944	65	40	39	21		72	153	709	822		2,646	1,979	1,809			1,655	1,655	2,211			1,655	1,655	2,211						
7 1/2% May 1944	8	8		7		223	213	290	309		109	108	172			1,655	1,655	2,211			1,655	1,655	2,211						
7 1/2% August 1944					11																								
7 1/2% September 1944		18	17	19	31					580																			
7 1/2% October 1944		101	95	53	31			10																					
7 1/2% December 1944		11	11	10	10					619																			
7 1/2% February 1945					61																								
7 1/2% April 1945					15																								
7 1/2% May 1945					5																								
7 1/2% June 1945					102																								
Total certificates of indebtedness	193	224	207	250	244	1,143	1,387	2,517	3,043	3,449	5,106	7,373	7,050	9,044	9,871	16,561	21,136	22,843	25,080	28,822	16,561	21,136	22,843	25,080	28,822				
Treasury notes:																													
3 1/4% September 1944	7	7	6	5	7	13	8	24	48	46	125	117	122	115	125	635	635	635	635	635	635	635	635	635	635	635			
0.90% March 1945					8																								
1 1/4% March 1945	18	17	12	11	10	167	163	165	167	154	244	244	279	255	228	1,606	1,606	1,606	1,606	1,606	1,606	1,606	1,606	1,606	1,606	1,606			
3 1/2% December 1945	10	9	9	10	10	18	21	22	25	26	73	68	73	91	83	531	531	531	531	531	531	531	531	531	531	531			
1% March 1946	8	7	7	7	7	330	278	284	285	283	394	350	353	355	365	3,261	3,261	3,261	3,261	3,261	3,261	3,261	3,261	3,261	3,261	3,261			
1 1/2% December 1946	35	35	35	34	23	330	278	284	285	283	394	350	353	355	365	3,261	3,261	3,261	3,261	3,261	3,261	3,261	3,261	3,261	3,261	3,261			
1 1/4% March 1947					48										993														

VIII. Grand total held by all investors in public marketable interest-bearing securities

VII. Held by all other investors

VI. Held by Federal Reserve Banks and United States Government agencies and trust funds?

V. Held by fire, casualty, and marine insurance companies

[illegible]

Footnotes at end of table.

TABLE 99.—Summary data from *Treasury survey of the ownership of securities issued or guaranteed by the United States*—ContinuedPART B. OWNERSHIP BY CLASSES OF HOLDERS OF EACH ISSUE OF NONMARKETABLE SECURITIES<sup>1</sup> ON QUARTERLY DATES FROM JUNE 30, 1943, THROUGH JUNE 30, 1944 (PAR VALUES IN MILLIONS OF DOLLARS)

Issue	I. Held by commercial banks <sup>2 3</sup>					II. Held by stock savings banks <sup>2</sup>					III. Held by mutual savings banks <sup>2</sup>					IV. Held by life insurance companies					VIII. Grand total held by all investors in nonmarketable securities
	June 30, 1943	Sept. 30, 1943	Dec. 31, 1943	Mar. 31, 1944	June 30, 1944	June 30, 1943	Sept. 30, 1943	Dec. 31, 1943	Mar. 31, 1944	June 30, 1944	June 30, 1943	Sept. 30, 1943	Dec. 31, 1943	Mar. 31, 1944	June 30, 1944	June 30, 1943	Sept. 30, 1943	Dec. 31, 1943	Mar. 31, 1944	June 30, 1944	
Adjusted service bonds.....																					
Depository bonds.....																					
United States savings bonds (current redemption value).....																					
Treasury notes, tax series and savings series.....																					
Guaranteed securities:																					
Commodity Credit Corporation demand obligations.....																					
Reconstruction Finance Corporation, Series X-A and X-B notes.....																					
Total nonmarketable securities.....																					



TABLE 99.—Summary data from Treasury survey of the ownership of securities issued or guaranteed by the United States—Continued

PART C. OWNERSHIP BY FEDERAL RESERVE MEMBER AND NONMEMBER COMMERCIAL BANKS OF EACH ISSUE OF PUBLIC MARKETABLE SECURITIES<sup>1</sup> ON VARIOUS DATES FROM JUNE 30, 1941, THROUGH JUNE 30, 1944 (PAR VALUES IN MILLIONS OF DOLLARS)—Continued

Issue, classified by Federal income tax status	Central Reserve City member commercial banks										III. Held by Reserve City member commercial banks						IV. Held by member country commercial banks										
	I. Held by New York City banks					II. Held by Chicago banks					III. Held by Reserve City member commercial banks						IV. Held by member country commercial banks										
	June 30, 1941	June 30, 1942	June 30, 1943	Dec. 31, 1943	June 30, 1944	June 30, 1941	June 30, 1942	June 30, 1943	Dec. 31, 1943	June 30, 1944	June 30, 1941	June 30, 1942	June 30, 1943	Dec. 31, 1943	June 30, 1944	June 30, 1941	June 30, 1942	June 30, 1943	Dec. 31, 1943	June 30, 1944	June 30, 1941	June 30, 1942	June 30, 1943	Dec. 31, 1943	June 30, 1944		
2. Partially exempt from Federal income taxes—Continued.	100	133	116	105	84	12	13	15	23	15	88	83	132	137	100	59	58	66	70	59	59	14	15	14	16	14	14
Treasury bonds—Continued.	39	71	71	77	76	26	26	26	26	26	54	58	73	73	70	69	14	15	14	16	14	14	15	14	16	14	14
2½% March 1946-56.....	127	168	171	169	166	21	22	22	27	27	100	115	120	121	133	67	71	78	79	79	67	71	78	79	79	79	
3½% June 1946-48.....	76	130	147	140	132	21	24	24	27	27	77	84	96	97	116	42	39	38	45	36	42	39	38	45	36	42	
3½% June 1946-49.....	60	80	102	107	133	26	24	24	24	24	42	72	94	99	127	19	37	35	37	43	89	107	120	119	111	111	
4½% October 1947-52.....	126	129	168	157	154	2	7	11	31	34	217	215	231	228	241	89	107	120	119	111	106	106	106	106	106	106	
2% December 1947.....	197	262	286	315	221	7	12	12	12	25	194	223	240	315	429	79	86	95	110	106	106	106	106	106	106	106	
2½% March 1948-51.....	79	91	112	84	82	(*)	(*)	6	10	11	108	107	145	164	161	56	64	72	70	67	67	72	70	67	67	67	
2½% September 1948.....	121	145	154	155	135	19	19	19	19	19	141	151	165	160	192	66	62	75	82	79	82	75	82	79	82	79	
2½% September 1948-50.....	26	43	63	39	48	20	20	26	30	30	61	72	131	141	167	24	26	30	34	44	39	24	26	30	34	44	
3½% December 1949-52.....	160	224	332	271	284	26	36	33	34	33	344	386	500	564	606	147	163	203	226	219	203	112	134	169	217	215	
2½% December 1949-53.....	137	185	217	233	228	52	36	40	42	42	179	214	249	277	330	112	134	169	217	215	112	134	169	217	215	215	
2½% September 1950-52.....	109	169	300	296	314	38	42	42	48	48	184	220	338	351	400	101	114	149	159	164	101	114	149	159	164		
2½% June 1951-54.....	12	35	72	52	56	21	23	27	32	32	29	34	79	92	116	33	37	52	65	75	33	37	52	65	75	75	
3% September 1951-55.....	123	158	152	145	139	66	67	67	71	71	265	283	341	378	394	132	150	193	198	191	132	150	193	198	191	191	
2½% December 1951-53.....	103	119	99	95	74	68	75	75	75	75	193	212	240	248	278	136	135	158	162	157	136	135	158	162	157	157	
2% June 1953-55.....	59	67	60	57	58	12	19	29	34	34	143	162	191	197	213	107	106	122	127	126	107	106	122	127	126	126	
2½% June 1954-56.....	45	91	161	184	142	9	15	32	62	81	129	170	274	300	401	89	104	160	173	200	89	104	160	173	200	200	
2½% March 1955-60.....	16	33	53	60	69	81	79	71	94	94	75	94	151	151	151	38	43	90	91	104	38	43	90	91	104	104	
2½% September 1956-59.....	26	25	27	43	53	39	38	38	40	50	75	79	112	128	134	38	42	92	123	123	38	42	92	123	123	123	
2½% June 1958-63.....	58	62	33	39	68	61	59	59	61	82	132	150	241	269	331	72	73	160	194	221	72	73	160	194	221	221	
2½% December 1960-65.....	2,889	3,642	4,046	3,579	3,248	733	745	771	889	940	3,282	3,717	4,723	4,946	5,367	1,745	1,934	2,403	2,630	2,532	1,745	1,934	2,403	2,630	2,532	2,532	
Total Treasury bonds.....																											
Guaranteed issues: <sup>6</sup>																											
Commodity Credit Corporation:																											
5½% August 1941.....	26					9					49					25					25						
1% November 1941.....	67					13					53					24					24						
3½% May 1943.....	100	100				9	9				67	79				37	39				37	39					
Federal Farm Mortgage Corporation:																											
3% January 1942-47.....	6					4					49					26					26						

[illegible]

Footnotes at end of table.

TABLE 99.—Summary data from Treasury survey of the ownership of securities issued or guaranteed by the United States—Continued  
 PART C. OWNERSHIP BY FEDERAL RESERVE MEMBER AND NONMEMBER COMMERCIAL BANKS OF EACH ISSUE OF PUBLIC MARKETABLE SECURITIES<sup>1</sup> ON VARIOUS DATES FROM JUNE 30, 1941, THROUGH JUNE 30, 1944 (PAR VALUES IN MILLIONS OF DOLLARS)—(Continued)

Issue, classified by Federal income tax status	Central Reserve City member commercial banks												IV. Held by member country commercial banks			
	I. Held by New York City banks						II. Held by Chicago banks						III. Held by Reserve City member commercial banks			
	June 30, 1941			June 30, 1942			June 30, 1941			June 30, 1942			June 30, 1941		June 30, 1942	
	June 30, 1941	June 30, 1942	June 30, 1943	June 30, 1941	June 30, 1942	June 30, 1943	June 30, 1941	June 30, 1942	June 30, 1943	June 30, 1941	June 30, 1942	June 30, 1943	June 30, 1941	June 30, 1942	June 30, 1943	June 30, 1944
3. Subject to Federal income taxes—Continued.																
Treasury notes:																
3 1/2% March 1943.....	4	261	221	145	17	5	16	17	2	2	106	119	4	58	90	118
3 1/2% September 1944.....	245	321	297	321	3	62	3	3	94	68	91	422	139	48	252	386
0.907% March 1945.....						73			(*)	2	105	389	685		260	258
1 1/2% March 1945.....		260	207	420					(*)	81	105	90	332		70	111
3 1/2% December 1945.....	265	247	197	97	16	(*)	3	16	3	(*)	271	120	109	86	116	139
1 1/2% March 1946.....		119	108	105	43	245	43	257	245	233		824	852	178	543	592
1 1/2% December 1946.....		333	623	648								757	706		657	42
1 1/2% March 1947.....				321	43	102				104			731			653
1 1/2% September 1947.....				921		72										817
1 1/2% September 1948.....																
Total Treasury notes.....	514	964	1,426	1,761	77	425	19	77	356	561	175	1,563	3,816	110	1,071	3,112
Treasury bonds:																
2 1/2% March 1948-50.....	169	185	140	168	7	7	1	7	8	12	171	177	187	139	143	155
1 1/2% June 1948.....			476	526	185	181			185	181		698	687		589	611
2 1/2% June 1949-51.....		116	120	186	11	15		11	15	15		218	207		196	210
2 1/2% September 1949-51.....		176	149	172	116	116		116	116	120		280	298		223	235
2 1/2% December 1949-51.....			291	313	324	55		324	54	60		432	453		391	422
2 1/2% March 1950-52.....			367	399	386	28		386	28	28		411	404		430	443
2 1/2% September 1950-52.....			381	508	604	66		604	74	70		756	849		775	839
2 1/2% September 1951-53.....				1,181	682	73		682	73	70		886	1,118		1,032	1,537
2 1/2% December 1951-53.....						(*)			(*)	(*)		100	99		121	156
2 1/2% March 1952-54.....						29		29	29	2		62	61		75	98
2 1/2% June 1952-55.....						2		2								268
2 1/2% June 1952-55.....	57	36	66	66	30	29		29	29	28		201	193		205	243
2 1/2% March 1956-58.....		119	100	102	22	29		29	29	4		160	55		197	262
2 1/2% March 1956-58.....	80	43	45	45	15	4		4	4	4		52	51		107	120
2 1/2% September 1956-59.....										1					95	175



2½% March 1965-70.....	39	44	44	39	80	80	80	61	161	176	176	188	273	378	406	36
2½% September 1967-72.....	758	2,236	3,267	4,064	46	263	622	678	393	1,277	3,558	4,836	1,238	3,648	4,966	435
Total Treasury bonds.....	306												368	3,648	4,966	6,086
Guaranteed issues:*																
Commodity Credit Corporation:																
1½% February 1945.....		71	63	77	98	25	26	26		82	96	99		78	86	107
Reconstruction Finance Corporation:																
1½% October 1942.....	146	104			11	11			51	50			35			
1½% July 1943.....	108	120	110		14	15	5		70	66	71		43	41	51	
1% April 1944.....	184	148	221		26	30	32		116	125	120		81	93	96	
Total guaranteed issues.....	254	479	321	298	98	76	61	58	121	313	292	99	78	252	230	187
Total subject to Federal income taxes.....	1,649	3,263	8,787	10,087	507	984	2,306	2,238	732	3,431	11,547	16,245	605	2,337	7,995	13,209
4. Total public marketable interest-bearing securities.....	6,984	8,349	13,699	14,420	1,458	1,826	3,134	3,192	5,476	8,009	17,093	21,979	3,253	4,833	10,861	15,937

Footnotes at end of table.

TABLE 99.—Summary data from *Treasury survey of the ownership of securities issued or guaranteed by the United States*—Continued  
 PART C. OWNERSHIP BY FEDERAL RESERVE MEMBER AND NONMEMBER COMMERCIAL BANKS OF EACH ISSUE OF PUBLIC MARKETABLE SECURITIES ON VARIOUS DATES FROM  
 JUNE 30, 1941, THROUGH JUNE 30, 1944 (PAR VALUES IN MILLIONS OF DOLLARS).—Continued

Issue, classified by Federal income tax status	V. (I through IV) Held by member commercial banks				VI. Held by nonmember commercial banks				VII. (V plus VI) Held by all commercial banks reporting						
	June 30, 1941	June 30, 1942	June 30, 1943	Dec. 31, 1943	June 30, 1944	June 30, 1941	June 30, 1942	June 30, 1943	Dec. 31, 1943	June 30, 1944	June 30, 1941	June 30, 1942	June 30, 1943	Dec. 31, 1943	June 30, 1944
Number of institutions included in survey	3,891	3,878	4,030	4,252	4,515	1,939	1,902	1,736	1,986	2,272	5,830	5,780	5,766	6,238	6,787
1. Wholly exempt from Federal income taxes: <sup>a</sup>															
Treasury notes:															
1½% December 1941	57					13					71				
1½% March 1942	149					46					195				
2% September 1942	72	88				21	8				82	96			
1½% December 1942	58	69				41	11				79	80			
1½% June 1943	244	220				19	38				286	257			
1% September 1943	168	158	101			19	9	5			187	167	106		
1½% December 1943	137	127	99			14	10	8			150	137	107		
1% March 1944	240	252	171	108		35	16	10	10		275	268	181	118	
3½% June 1944	214	210	107	89		29	10	17	15		244	220	124	105	
1% September 1944	30	35	30	24	47	3	2	4	4	3	34	38	34	28	49
3½% March 1945	396	301	166	159	124	52	22	44	45	43	448	324	209	205	167
Total Treasury notes	1,766	1,460	674	381	170	283	127	88	74	46	2,050	1,587	762	455	216
Bonds:															
Postal savings	8	8	8	9	10	4	4	3	4	4	13	11	11	12	14
Panama Canal	1	1	1	1	1	(*)	(*)	(*)	(*)	(*)	1	(*)	1	1	1
Conversion	(*)	(*)	(*)	(*)	1	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	1	1
Total bonds	9	8	8	9	11	5	4	4	4	4	13	12	12	14	15
Total wholly exempt from Federal income taxes	1,775	1,468	682	390	181	288	131	92	78	50	2,063	1,599	774	469	232
2. Partially exempt from Federal income taxes: <sup>b</sup>															
Treasury bonds:															
3½% August 1941	2					1					3				
3½% June 1943-47	129	134				11	10				140	144	590		
3½% October 1943-45	416	514	598			61	28	22			507	542	531	583	
3½% April 1944-46	526	580	505	558		49	29	26	25		571	609	434	452	460
4% December 1944-54	325	368	411	429	450	32	18	23	23	10	357	386	520	559	511
2½% September 1945-47	442	496	402	527	480	39	30	28	32	22	481	527	434	527	511
2½% December 1945	259	286	328	335	288	27	19	19	21	18	286	304	318	356	277

33 <sup>3</sup> / <sub>8</sub> % March 1946-56.....	171	184	188	185	11	9	10	16	10	144	179	194	204	195
36 <sup>1</sup> / <sub>8</sub> % June 1946-48.....	316	392	397	404	25	27	27	28	24	341	403	418	425	428
31 <sup>6</sup> / <sub>8</sub> % June 1946-49.....	215	277	304	307	24	13	13	15	14	239	291	317	322	324
41 <sup>1</sup> / <sub>8</sub> % October 1947-52.....	148	254	267	327	9	13	17	16	11	156	225	271	283	338
26 <sup>1</sup> / <sub>8</sub> % December 1947.....	435	530	535	539	33	28	30	26	34	468	486	560	561	573
47 <sup>1</sup> / <sub>8</sub> % March 1948-51.....	478	583	732	780	40	27	39	36	36	518	619	722	738	816
23 <sup>3</sup> / <sub>8</sub> % September 1948.....	243	334	328	321	16	13	15	20	20	258	275	349	349	341
2% December 1948-50.....	347	413	417	425	19	21	24	27	27	366	398	436	443	433
31 <sup>6</sup> / <sub>8</sub> % December 1949-52.....	131	161	256	255	22	16	11	12	19	163	177	261	269	304
31 <sup>6</sup> / <sub>8</sub> % December 1949-53.....	678	818	1,095	1,141	63	52	70	78	64	741	870	1,138	1,173	1,206
29 <sup>1</sup> / <sub>8</sub> % September 1951-55.....	481	569	769	845	39	37	51	65	75	520	607	726	834	920
23 <sup>3</sup> / <sub>8</sub> % June 1951-54.....	433	545	830	924	43	39	39	39	47	476	584	803	846	851
29 <sup>1</sup> / <sub>8</sub> % December 1951-53.....	585	667	753	796	63	44	50	53	55	648	712	803	846	851
26 <sup>1</sup> / <sub>8</sub> % June 1953-55.....	499	540	573	583	32	42	36	38	38	531	582	609	618	621
24 <sup>1</sup> / <sub>8</sub> % June 1954-56.....	321	355	402	415	33	26	26	31	31	354	381	428	446	463
25 <sup>1</sup> / <sub>8</sub> % March 1955-60.....	272	380	628	719	824	73	61	56	75	345	441	684	735	897
24 <sup>1</sup> / <sub>8</sub> % September 1956-59.....	209	249	365	395	418	36	34	24	27	245	283	389	422	443
23 <sup>3</sup> / <sub>8</sub> % June 1958-63.....	178	184	270	336	369	29	25	32	29	207	213	295	398	398
23 <sup>3</sup> / <sub>8</sub> % December 1960-65.....	323	343	502	563	792	36	43	59	60	359	375	546	622	762
<b>Total Treasury bonds</b> .....	<b>8,649</b>	<b>10,037</b>	<b>11,943</b>	<b>12,043</b>	<b>12,087</b>	<b>880</b>	<b>723</b>	<b>739</b>	<b>815</b>	<b>761</b>	<b>9,529</b>	<b>10,760</b>	<b>12,682</b>	<b>12,858</b>
<b>Guaranteed issues: <sup>6</sup></b>														
Commodity Credit Corporation:														
3% August 1941.....	108					30				138				
1% November 1941.....	157					15				172				
3% May 1943.....	213	226				28	19			241	245			
Federal Farm Mortgage Corporation:														
3% January 1942-47.....	83					10				93				
24 <sup>1</sup> / <sub>8</sub> % March 1942-47.....	53					7				60				
31 <sup>3</sup> / <sub>8</sub> % March 1944-64.....	14	23	23		4	4	4	4		18	21	26	27	
3% May 1944-49.....	302	340	454	470	20	21	21	14		322	361	474	484	
Federal Housing Administration de-														
bentures (all series).....	1	6	6	7	7	(*)	1	(*)	1	2	6	6	7	7
Home Owners' Loan Corporation:														
24 <sup>1</sup> / <sub>8</sub> % July 1942-44.....	624	13				62	4			686	17			
3% May 1944-52.....	188	230	399	393	21	20	20	17		209	249	418	410	
11 <sup>1</sup> / <sub>8</sub> % June 1945-47.....	543	582	563	577	46	43	44	52	42	589	625	607	629	578
Reconstruction Finance Corporation:														
3 <sup>1</sup> / <sub>8</sub> % July 1941.....	164					12				176				
3 <sup>1</sup> / <sub>8</sub> % November 1941.....	192					28				220				
3 <sup>1</sup> / <sub>8</sub> % January 1942.....	233					28				257				
1% July 1942.....	206					11				218				
Federal Public Housing Authority: <sup>11</sup>														
24 <sup>1</sup> / <sub>8</sub> % November 1941.....	85					10				94				
14 <sup>1</sup> / <sub>8</sub> % February 1944.....	87	83	83	74	7	7	9	6	6	93	92	90	80	
<b>Total guaranteed issues</b> .....	<b>3,254</b>	<b>1,496</b>	<b>1,528</b>	<b>1,544</b>	<b>543</b>	<b>333</b>	<b>121</b>	<b>95</b>	<b>94</b>	<b>42</b>	<b>3,587</b>	<b>1,622</b>	<b>1,638</b>	<b>585</b>
<b>Total partially exempt from</b>														
<b>    Federal income taxes</b> .....	<b>11,903</b>	<b>11,533</b>	<b>13,470</b>	<b>13,587</b>	<b>12,630</b>	<b>1,213</b>	<b>844</b>	<b>834</b>	<b>909</b>	<b>803</b>	<b>13,116</b>	<b>14,304</b>	<b>14,496</b>	<b>13,433</b>

Footnotes at end of table.

TABLE 99.—*Summary data from Treasury survey of the ownership of securities issued or guaranteed by the United States—Continued*

PART C. OWNERSHIP BY FEDERAL RESERVE MEMBER AND NONMEMBER COMMERCIAL BANKS OF EACH ISSUE OF PUBLIC MARKETABLE SECURITIES<sup>1</sup> ON VARIOUS DATES FROM JUNE 30, 1941, THROUGH JUNE 30, 1944, (PAR VALUES IN MILLIONS OF DOLLARS)—Continued

Issue, classified by Federal income tax status	V. (I through IV) Held by member commercial banks					VI. Held by nonmember commercial banks					VII. (V plus VI) Held by all commercial banks reporting				
	June 30, 1941	June 30, 1942	June 30, 1943	Dec. 31, 1943	June 30, 1944	June 30, 1941	June 30, 1942	June 30, 1943	Dec. 31, 1943	June 30, 1944	June 30, 1941	June 30, 1942	June 30, 1943	Dec. 31, 1943	June 30, 1944
3. Subject to Federal income taxes:															
Treasury bills	1,082	1,492	6,135	4,220	4,355	30	65	367	495	539	1,112	1,557	6,502	4,716	4,894
Certificates of indebtedness:															
1½% November 1942		782					57					839			
5½% February 1943		1,054					77					1,131			
7½% August 1943			950					52					1,002		
7½% November 1943			1,216					61					1,277		
7½% December 1943			2,261	1,263				163					2,425		
7½% February 1944			1,396	2,360				132	116				1,528	1,379	
7½% April 1944			2,068	2,360				210	208				2,278	2,568	
7½% May 1944			1,224	1,111				76	67				1,301	1,178	
7½% August 1944				1,734	1,627			130	120					1,864	1,747
7½% September 1944				698	1,911			54	92					1,751	2,002
7½% October 1944				2,327	1,434			175	183					2,502	2,460
7½% December 1944				2,277	2,290			166	185					2,443	2,443
7½% February 1945					1,854			126	126					1,980	1,980
7½% April 1945					2,927			238	238					3,165	3,165
7½% May 1945					1,095			79	79					1,174	1,174
7½% June 1945					21			20	20					41	41
Total certificates of indebtedness		1,836	9,115	11,769	13,972		135	695	915	1,042		1,971	9,310	12,684	15,013
Treasury notes:															
3½% March 1943	9	9					2				12	11			
3½% September 1944	425	450	431	426	407		40	20	25	44	465	469	453	451	451
0.90% March 1945					1,434										1,556
1½% March 1945			1,028	1,019	1,116				84	85			1,112	1,104	1,191
3½% December 1945	384	391	377	370	341			23	23	41	404	417	400	393	382
1% March 1946		326	344	351	314		20	35	40	45			360	359	359
1½% December 1946		825	2,235	2,327	2,338			54	151	168			2,386	2,496	2,512
1½% March 1947					84					35					119
1½% September 1947				1,837	1,857				255	250				2,092	2,107
1½% September 1948					2,542					262					2,803
Total Treasury notes	818	2,001	4,416	6,330	10,432	63	137	321	598	1,049	881	2,138	4,737	6,927	11,481

Treasury bonds:	480	484	468	509	633	75	39	55	59	57	555	523	522	569	690
2% March 1948-50.....			1,948	2,001	2,027			203	206	211			2,151	2,207	2,239
1½% June 1948.....		539	550	612	625		56	65	70	75		594	614	683	699
2% June 1949-51.....		763	767	818	841		80	83	81	86		843	850	899	927
2% September 1949-51.....			1,168	1,245	1,290			165	153	155			1,333	1,398	1,445
2% December 1949-51.....			1,256	1,286	1,266			166	166	169			1,421	1,451	1,435
2% March 1950-52.....			1,987	2,277	2,345			283	307	316			2,270	2,584	2,682
2% September 1950-52.....				2,699	3,906				368	501				3,087	4,407
2% September 1951-53.....		262	267	297	301		42	48	58	59		304	335	355	360
2% December 1951-55.....		209	225	240	262		27	28	32	36		236	253	272	288
2½% March 1952-54.....					343					101					444
2% June 1952-55.....			546	566	610		94	79	91	101		640	614	657	711
2½% March 1956-58.....			209	203	229		48	36	39	43		257	233	242	274
2¼% September 1956-59.....					217					70					287
2¼% March 1965-70.....					42					16					59
2½% September 1967-72.....		554	678	706	724		116	136	150	157		670	814	856	880
Total Treasury bonds.....	1,114	3,566	10,065	13,459	15,662	216	503	1,346	1,781	2,156	1,329	4,069	11,410	15,241	17,818
Guaranteed issues: 6															
Commodity Credit Corporation:															
1½% February 1945.....		256	271	295	336		38	35	35	33		294	306	330	362
Reconstruction Finance Corporation:															
¾% October 1942.....	243	216	237			18	24	15				240	252		
1½% July 1943.....	236	241				22	18					259			
1% April 1944.....		407	385	470			30	25	27			437	420	497	
Total guaranteed issues.....	479	1,120	904	765	830	40	109	75	62	33	520	1,230	979	827	362
Total subject to Federal income taxes.....	3,493	10,016	30,635	36,544	44,749	349	948	2,893	3,851	4,819	3,842	10,964	33,438	40,395	49,568
4. Total public marketable interest-bearing securities.....	17,171	23,016	44,787	50,521	57,561	1,850	1,923	3,729	4,838	5,672	19,021	24,939	48,516	55,359	63,238

Footnotes at end of table.

TABLE 99.—Summary data from *Treasury survey of the ownership of securities issued or guaranteed by the United States*—Continued

PART D.—OWNERSHIP BY FEDERAL RESERVE MEMBER AND NONMEMBER COMMERCIAL BANKS OF EACH ISSUE OF NONMARKETABLE SECURITIES\* ON VARIOUS DATES FROM JUNE 30, 1941, THROUGH JUNE 30, 1944 (FAR VALUES IN MILLIONS OF DOLLARS)

Issue	Central Reserve City member commercial banks										III. Held by Reserve City member commercial banks					IV. Held by member country commercial banks				
	I. Held by New York City banks					II. Held by Chicago banks					June 30, 1941	June 30, 1942	June 30, 1943	Dec. 31, 1943	June 30, 1944	June 30, 1941	June 30, 1942	June 30, 1943	Dec. 31, 1943	June 30, 1944
	June 30, 1941	June 30, 1942	June 30, 1943	Dec. 31, 1943	June 30, 1944	June 30, 1941	June 30, 1942	June 30, 1943	Dec. 31, 1943	June 30, 1944										
	June 30, 1941	June 30, 1942	June 30, 1943	Dec. 31, 1943	June 30, 1944	June 30, 1941	June 30, 1942	June 30, 1943	Dec. 31, 1943	June 30, 1944										
Depository bonds.....	7	10	24	25	25	4	4	7	5	5										
United States savings bonds (current redemption value).....	(*)	(*)	(*)	(*)	1	(*)	(*)	1	1	2										
Treasury notes, tax series and savings series.....	14	6	5	8	8	1	1	(*)	10	20										
Commodity Credit Corporation demand obligations 12.....		9	26	19				9	27	20										
Total nonmarketable securities.....	(*)	20	24	55	52	(*)	6	15	45	48										
V (f through IV). Held by member commercial banks																				
Depository bonds.....	1	70	190	343	403	(*)	(*)	6	22	27										
United States savings bonds (current redemption value).....	92	97	114	127	331	47	50	51	63	141										
Treasury notes, tax series and savings series.....		32	42	43	54	4	4	6	11	11										
Commodity Credit Corporation demand obligations 12.....			59	179	131			9	26	19										
Total nonmarketable securities.....	93	199	404	692	918	47	55	72	122	198										
VII (V plus VI). Held by all commercial banks reporting																				
Depository bonds.....	1	70	195	364	430															
United States savings bonds (current redemption value).....	139	147	166	189	472															
Treasury notes, tax series and savings series.....		37	48	54	65															
Commodity Credit Corporation demand obligations 12.....			68	205	150															
Total nonmarketable securities.....	140	253	477	813	1,116															

NOTE.—Figures are rounded and will not necessarily add to totals.

\* Less than \$500,000.

<sup>1</sup> Public marketable securities include all interest-bearing securities except (1) special issues to Government agencies and trust funds, (2) adjusted service bonds, (3) depository bonds, (4) United States savings bonds, (5) Treasury tax and savings notes, (6) Commodity Credit Corporation demand obligations, and (7) Reconstruction Finance Corporation notes, Series X-A and X-B. The holders of the securities listed under groups (2) through (7) are shown in parts B and D.

<sup>2</sup> Beginning with the Treasury survey for March 1941 and thereafter the classification of banks was revised to consist of commercial, stock savings, and mutual savings banks.

<sup>3</sup> The data for the five quarterly dates are on the basis of the new classification.

<sup>4</sup> Details on the ownership of marketable and nonmarketable securities by member and nonmember commercial banks on June 30, 1941 through 1944, and Dec. 31, 1943, are shown in parts C and D beginning on pp. 787 and 796, respectively.

<sup>5</sup> Securities the income from which is exempt from the normal rates and surtax rates of the Federal income tax.

<sup>6</sup> Securities the income from which is exempt from the normal rates of the Federal income tax. In the case of partially tax-exempt Treasury bonds, interest derived from \$5,000 of principal amount owned by any single holder is also exempt from the surtax rates of the Federal income tax.

<sup>7</sup> Excludes obligations sold directly to the Treasury.

<sup>8</sup> Excludes the exchange stabilization fund.

<sup>9</sup> Excludes R. F. C. 1% notes, Series X-A, shown under nonmarketable securities.

<sup>10</sup> Excludes special issues to Government agencies and trust funds.

<sup>11</sup> Formerly classified as marketable securities.

<sup>12</sup> Formerly the United States Housing Authority.

<sup>13</sup> Distribution by type of bank partly estimated.

TABLE 100.—*Estimated ownership of all interest-bearing governmental securities outstanding, classified by issuer, June 30, 1937 through 1944*<sup>1</sup>[Par value.<sup>2</sup> In billions of dollars]

June 30	Total all securities	Securities of U. S. Government and Federal instrumentalities guaranteed by United States <sup>3</sup>			Securities of Federal instrumentalities not guaranteed by United States <sup>4</sup>	Securities of State and local governments, Territories, and possessions
		Total	U. S. Government <sup>4</sup>	Federal instrumentalities guaranteed by United States <sup>4</sup>		
1. Total amount outstanding						
1937.....	62.0	40.5	35.8	4.7	2.3	19.3
1938.....	63.0	41.4	36.6	4.9	2.3	19.3
1939.....	67.4	45.3	39.9	5.5	2.3	19.8
1940.....	70.1	47.9	42.4	5.5	2.2	20.0
1941.....	77.0	54.7	48.4	6.4	2.2	20.0
1942.....	98.3	76.5	72.0	4.5	2.2	19.5
1943.....	159.9	139.5	135.4	4.1	1.9	18.5
1944.....	219.8	201.1	199.5	1.5	1.5	17.3
2. Held by governmental funds <sup>7</sup> and Federal Reserve Banks						
1937.....	11.6	6.4	6.0	0.4	0.8	4.3
1938.....	12.9	7.6	7.3	.3	.8	4.5
1939.....	14.1	8.7	8.4	.3	.9	4.5
1940.....	15.3	9.9	9.6	.3	.9	4.5
1941.....	16.7	11.1	10.8	.3	.8	4.8
1942.....	19.6	13.9	13.6	.3	.8	4.9
1943.....	27.9	22.8	22.5	.3	.6	4.5
1944.....	41.3	37.2	37.0	.2	.2	3.9
3. Privately held securities						
1937.....	50.5	34.1	29.8	4.3	1.4	15.0
1938.....	50.1	33.8	29.3	4.5	1.4	14.9
1939.....	53.3	36.6	31.4	5.2	1.4	15.3
1940.....	54.8	38.0	32.8	5.2	1.4	15.5
1941.....	60.3	43.7	37.6	6.1	1.4	15.2
1942.....	78.7	62.6	58.4	4.3	1.4	14.7
1943.....	132.0	116.7	112.9	3.8	1.3	14.0
1944.....	178.5	163.8	162.5	1.3	1.3	13.4
3a. Held by commercial banks						
1937.....	17.3	14.2	12.1	2.1	0.3	2.8
1938.....	16.9	13.7	11.3	2.4	.4	2.8
1939.....	19.0	15.3	12.2	3.1	.5	3.2
1940.....	20.1	16.1	12.7	3.4	.4	3.6
1941.....	23.9	19.7	15.5	4.2	.5	3.7
1942.....	30.3	26.0	23.1	2.9	.7	3.6
1943.....	56.3	52.2	49.5	2.8	.6	3.5
1944.....	72.5	68.4	67.3	1.1	.6	3.5
3b. Held by mutual savings banks						
1937.....	3.2	2.4	2.1	0.2	-----	0.8
1938.....	3.4	2.7	2.4	.3	-----	.7
1939.....	3.6	3.0	2.6	.4	-----	.6
1940.....	3.7	3.1	2.6	.5	-----	.6
1941.....	3.9	3.4	3.0	.4	-----	.5
1942.....	4.3	3.9	3.7	.1	-----	.4
1943.....	5.5	5.3	5.2	.1	-----	.2
1944.....	7.5	7.3	7.3	(*)	-----	.2

Footnotes at end of table.



TABLE 100.—*Estimated ownership of all interest-bearing governmental securities outstanding, classified by issuer, June 30, 1937 through 1944*<sup>1</sup>—Continued[Par value.<sup>2</sup> In billions of dollars]

June 30	Total all securities	Securities of U. S. Government and Federal instrumentalities guaranteed by United States <sup>3</sup>			Securities of Federal instrumentalities not guaranteed by United States <sup>6</sup>	Securities of State and local governments, Territories, and possessions
		Total	U. S. Government <sup>4</sup>	Federal instrumentalities guaranteed by United States <sup>5</sup>		
3c. Held by insurance companies						
1937.....	6.8	5.0	4.4	0.6		1.8
1938.....	7.4	5.5	4.8	.7		1.9
1939.....	7.9	5.9	5.3	.6		2.0
1940.....	8.6	6.5	6.0	.5		2.1
1941.....	9.2	7.1	6.5	.6		2.1
1942.....	11.2	9.2	8.8	.4		2.0
1943.....	14.8	13.1	12.8	.3		1.7
1944.....	18.7	17.3	17.2	(*)		1.4
3d. Held by other corporations and associations <sup>8</sup>						
1937.....	3.8	2.6	2.2	0.4	0.1	1.1
1938.....	3.6	2.4	2.0	.4	.1	1.1
1939.....	4.0	2.6	2.2	.4	.1	1.3
1940.....	3.9	2.6	2.3	.3	.1	1.2
1941.....	3.6	2.4	2.1	.3	.1	1.1
1942.....	6.6	5.4	5.1	.3	.1	1.1
1943.....	16.7	15.7	15.4	.3	.1	.9
1944.....	26.7	25.7	25.5	.2	.1	.8
3e. Held by individuals (including unincorporated business, partnerships, and personal trust accounts)						
1937.....	19.4	9.9	8.9	1.0	1.0	8.5
1938.....	18.8	9.5	8.8	.7	1.0	8.3
1939.....	18.9	9.8	9.1	.7	.9	8.2
1940.....	18.5	9.7	9.2	.5	.9	7.9
1941.....	19.6	11.1	10.5	.6	.7	7.8
1942.....	26.3	18.2	17.7	.5	.6	7.5
1943.....	38.6	30.3	30.0	.3	.6	7.7
1944.....	53.2	45.1	45.1	(*)	.6	7.5

NOTE.—Figures are rounded and will not necessarily add to totals. Figures in this table have been revised and are not necessarily comparable with material presented in the 1943 annual report: (1) Securities of the United States Government and Federal instrumentalities guaranteed by the United States have been revised to a daily Treasury statement basis throughout; (2) the holdings of commercial and mutual savings banks of these securities have been adjusted from a book to a par basis for all years; (3) securities issued directly to and held by the United States Treasury are no longer included in issues outstanding; and (4) certain securities issued "on credit of the United States" have been reclassified as nonguaranteed securities of Federal instrumentalities.

\* Less than 50 millions.

<sup>1</sup> See footnote 1 on p. 810.

<sup>2</sup> Figures represent par values with the following exceptions: (1) The holdings of commercial and mutual savings banks of securities of Federal instrumentalities not guaranteed by the United States and of State and local governments, Territories, and possessions are book values, (2) the holdings of these securities by individuals are residuals, and so deviate from par values in those cases where the figures for banks are book values, (3) in the case of data which include United States savings bonds Series A-D, E, and F, the figures for these bonds represent current redemption values.

<sup>3</sup> Data on daily Treasury statement basis.

<sup>4</sup> Including special issues to Federal agencies and trust funds.

<sup>5</sup> See footnote 5 on p. 811.

<sup>6</sup> See footnote 6 on p. 811.

<sup>7</sup> Comprises securities held by (1) Federal agencies and trust funds (including exchange stabilization fund), and (2) sinking, trust, and investment funds of State and local governments, Territories, and possessions.

<sup>8</sup> Includes holdings of tax-exempt institutions other than mutual savings banks, holdings of dealers and brokers, and investments of foreign balances in this country.

TABLE 101.—*Estimated amount of interest-bearing securities issued by all governmental units in the United States outstanding on June 30, 1944, classified by tax status and by type of issuer*<sup>1</sup>[Par value.<sup>2</sup> In millions of dollars]

	Total all securities	Tax-exempt			Taxable <sup>5</sup>	U. S. Government special issues to Federal agencies and trust funds
		Total	Wholly <sup>3</sup>	Partially <sup>4</sup>		
All interest-bearing securities:						
Total amount outstanding.....	219,834	47,320	19,830	27,489	158,227	14,287
Less securities held by:						
Federal agencies <sup>6</sup> .....	4,363	1,900	795	1,105	2,072	392
Federal trust funds <sup>7</sup> .....	15,508	377	14	363	1,236	13,895
Federal Reserve Banks.....	14,901	992	49	943	13,906	
State and local sinking funds.....	2,160	1,388	1,340	48	772	
State and local trust and investment funds.....	4,295	2,095	1,925	170	2,200	
Territorial and insular sinking, trust, and investment funds.....	61	40	33	7	21	
Total securities held by governmental funds and Federal Reserve Banks.....	41,288	6,792	4,156	2,636	20,209	14,287
Total privately held securities.....	178,545	40,528	15,674	24,854	138,017	
Securities of the United States Government: <sup>8</sup>						
Total amount outstanding.....	199,543	28,135	1,414	26,721	157,121	14,287
Less securities held by:						
Federal agencies <sup>6</sup> .....	3,426	1,140	35	1,105	1,894	392
Federal trust funds <sup>7</sup> .....	15,494	363	(*)	363	1,236	13,895
Federal Reserve Banks.....	14,899	992	49	943	13,906	
State and local sinking funds.....	820	48		48	772	
State and local trust and investment funds.....	2,370	170		170	2,200	
Territorial and insular sinking, trust, and investment funds.....	28	7		7	21	
Total securities held by governmental funds and Federal Reserve Banks.....	37,036	2,720	84	2,635	20,029	14,287
Total privately held securities.....	162,507	25,416	1,330	24,086	137,091	
Securities of Federal instrumentalities guaranteed by the United States Government: <sup>9</sup>						
Total amount outstanding.....	1,516	768		768	748	
Less securities held by:						
Federal agencies and trust funds <sup>6,7</sup> .....	178	(*)		(*)	177	
Federal Reserve Banks.....	2				2	
Total securities held by governmental funds and Federal Reserve Banks.....	180	(*)		(*)	180	
Total privately held securities.....	1,335	768		768	568	
Securities of Federal instrumentalities not guaranteed by the United States Government: <sup>10</sup>						
Total amount outstanding.....	1,461	1,102	1,102		358	
Less securities held by:						
Federal agencies.....	178	178	178			
Federal trust funds.....	14	14	14			
Total securities held by governmental funds.....	192	192	192			
Total privately held securities.....	1,268	910	910		358	

Footnotes at end of table.

TABLE 101.—*Estimated amount of interest-bearing securities issued by all governmental units in the United States outstanding on June 30, 1944, classified by tax status and by type of issuer*<sup>1</sup>—Continued[Par value.<sup>2</sup> In millions of dollars]

	Total all securities	Tax-exempt			Tax-able <sup>5</sup>	U. S. Government special issues to Federal agencies and trust funds
		Total	Wholly <sup>3</sup>	Partially <sup>4</sup>		
Securities of State and local governments:						
Total amount outstanding.....	17, 194	17, 194	17, 194			
Less securities held by:						
Federal agencies and trust funds.....	582	582	582			
State and local sinking funds.....	1, 340	1, 340	1, 340			
State and local trust and investment funds.....	1, 925	1, 925	1, 925			
Territorial and insular trust and investment funds.....	2	2	2			
Total securities held by governmental funds.....	3, 848	3, 848	3, 848			
Total privately held securities.....	13, 346	13, 346	13, 346			
Securities of Territories and possessions:						
Total amount outstanding.....	120	120	120			
Less securities held by:						
Federal trust funds.....	(*)	(*)	(*)			
Territorial and insular sinking funds.....	9	9	9			
Territorial and insular trust and investment funds.....	22	22	22			
Total securities held by governmental funds.....	31	31	31			
Total privately held securities.....	89	89	89			

NOTE.—Figures are rounded and will not necessarily add to totals. Figures in this table have been revised and are not necessarily comparable with material presented in the 1943 annual report: (1) Securities of the United States Government and Federal instrumentalities guaranteed by the United States have been revised to a daily Treasury statement basis; (2) securities issued directly to and held by the United States Treasury are no longer included in issues outstanding; and (3) certain securities issued "on credit of the United States" have been reclassified as nonguaranteed securities of Federal instrumentalities.

SOURCE.—Estimates relating to States, localities, Territories, and possessions are based in part on a questionnaire survey of State and local government debt and specified funds conducted by the Division of State and Local Government of the Bureau of the Census, Department of Commerce, and in part on a questionnaire survey of territorial and insular debt and specified funds conducted in recent years by the Division of Territories and Island Possessions of the Department of the Interior.

\* Less than \$500,000.

<sup>1</sup> See footnote 1 on p. 810.

<sup>2</sup> In the case of data which include United States savings bonds Series A-D, E, and F, the figures for these bonds represent current redemption values.

<sup>3</sup> Securities the income from which is exempt from both the normal rates and surtax rates of the Federal income tax.

<sup>4</sup> Securities the income from which is exempt only from the normal rates of the Federal income tax. In the case of partially tax-exempt (1) Treasury bonds and (2) United States savings bonds, interest derived from \$5,000 aggregate principal amount owned by any one holder is exempt from the surtax rates as well as the normal rates of the Federal income tax.

<sup>5</sup> Securities the income from which is subject to both the normal rates and the surtax rates of the Federal income tax.

<sup>6</sup> Includes exchange stabilization fund.

<sup>7</sup> Includes individual Indian trust funds.

<sup>8</sup> On basis of daily Treasury statement.

<sup>9</sup> See footnote 5 on p. 811.

<sup>10</sup> See footnote 6 on p. 811.

TABLE 102.—*Estimated amount of interest-bearing securities issued by all governmental tax status and by*  
 [Par value.<sup>3</sup> In

June 30—	Grand total					U. S. Government <sup>1</sup>				
	Total	Tax-exempt		Tax-able <sup>2</sup>	U. S. Govern- ment special issues to Federal agencies and trust funds	Total	Tax-exempt		Tax-able <sup>2</sup>	Special issues to Fed- eral agencies and trust funds
		Total	Whol- ly <sup>3</sup>				Par- tially <sup>3</sup>	Whol- ly <sup>3</sup>		
1913	5,523	5,523	5,523			966	966			
1914	5,947	5,947	5,947			968	968			
1915	6,420	6,420	6,420			970	970			
1916	6,881	6,881	6,881			972	972			
1917	9,043	9,043	9,043			2,713	2,713			
1918	18,780	18,780	9,181	9,599		11,986	2,387	9,599		
1919	32,777	32,777	10,185	22,593		25,234	2,828	22,407		
1920	32,253	32,253	11,303	20,950		24,062	3,112	20,950		
1921	32,721	32,721	11,917	20,804		23,739	2,935	20,804		
1922	33,465	33,465	12,989	20,416		22,710	2,294	20,416		
1923	33,782	33,782	14,069	19,713		22,007	2,294	19,713		
1924	33,973	33,973	15,286	18,688		20,981	2,294	18,688		
1925	34,681	34,586	16,645	17,941		95	20,211	2,175	17,941	95
1926	34,856	34,652	17,636	17,016		204	19,384	2,164	17,016	204
1927	34,935	34,576	18,846	15,730		359	18,253	2,164	15,730	359
1928	35,044	34,582	19,892	14,690		462	17,318	2,166	14,690	462
1929	35,428	34,821	20,957	13,864		607	16,639	2,168	13,864	607
1930	35,943	35,179	23,606	11,573		764	15,922	3,585	11,573	764
1931	37,627	37,335	25,521	11,814		291	16,520	4,414	11,814	291
1932	40,431	40,123	28,055	12,068		309	19,161	6,785	12,068	309
1933	43,524	43,201	31,176	12,025		323	22,158	9,810	12,025	323
1934	48,321	47,925	32,958	14,967		396	26,480	11,798	14,286	396
1935	53,283	52,650	34,446	18,204		633	27,645	12,931	14,081	633
1936	59,383	58,757	36,554	22,202	1	626	32,989	14,879	17,484	626
1937	62,020	60,459	35,034	25,425	3	1,558	35,800	13,507	20,735	1,558
1938	63,001	60,320	32,278	28,042	6	2,676	36,576	10,817	23,084	2,676
1939	67,370	63,591	30,881	32,710	9	3,770	39,886	9,030	27,086	3,770
1940	70,125	65,335	30,248	35,087	15	4,775	42,376	8,142	29,459	4,775
1941	76,962	62,863	26,831	36,032	7,979	6,120	48,387	4,903	30,161	7,203
1942	98,252	58,602	25,506	33,096	31,766	7,885	71,968	4,260	30,072	29,752
1943	159,866	55,330	23,060	32,270	93,665	10,871	135,380	3,050	29,622	91,837
1944	219,834	47,320	19,830	27,489	158,227	14,287	199,543	1,414	26,721	157,121

A. TOTAL AMOUNT

## A. TOTAL AMOUNT

Footnotes on pp. 810 and 811.

units in the United States outstanding on June 30, 1913 through 1944, classified by type of issuer <sup>1</sup>

millions of dollars]

Federal instrumentalities: Guaranteed issues <sup>4 5</sup>				Federal instrumentalities: Non- guaranteed issues <sup>6</sup>				State, local, and territorial governments		
Total	Tax-exempt		Tax- able <sup>9</sup>	Total	Tax-exempt		Tax- able <sup>9</sup>	Wholly tax-exempt <sup>7</sup>		
	Wholly <sup>7</sup>	Par- tially <sup>8</sup>			Wholly <sup>7</sup>	Par- tially <sup>8</sup>		Total	Issues of States and local- ities	Issues of Ter- ritories and posses- sions

## OUTSTANDING

								4,557	4,528	28
								4,979	4,949	30
								5,450	5,417	33
								5,909	5,875	34
								6,330	6,290	40
				111	111			6,688	6,643	40
				460	274	186		7,083	7,042	41
				401	401			7,790	7,746	44
				450	450			8,532	8,476	56
				730	730			9,965	9,893	72
				1,062	1,062			10,713	10,598	115
				1,231	1,231			11,761	11,633	128
				1,506	1,506			12,964	12,830	134
				1,659	1,659			13,813	13,664	149
				1,789	1,789			14,893	14,735	158
				1,866	1,866			15,860	15,699	161
				1,867	1,867			16,922	16,760	162
				1,871	1,871			18,150	17,985	165
				1,885	1,885			19,222	19,060	162
				1,780	1,780			19,490	19,330	160
				1,694	1,694			19,672	19,517	155
				2,187	2,187			18,973	18,823	150
				2,399	2,399			19,116	18,972	144
681	681			2,319	2,318		1	19,357	19,212	145
4,123	4,123			2,257	2,229	25	3	19,298	19,152	146
4,718	4,718	(*)		2,262	2,151	106	5	19,310	19,164	146
4,665	4,665			2,273	2,090	175	8	19,761	19,611	150
4,853	4,852	1		2,207	2,062	134	11	20,044	19,891	153
5,450	5,449			2,208	1,921	161	126	20,007	19,860	147
5,498	5,494	4		2,218	1,729	109	380	19,517	19,379	138
6,360	5,710	650		1,860	1,476	55	329	18,534	18,406	128
4,549	2,915	1,634		1,461	1,102		358	17,314	17,194	120
4,092	2,593	1,499								
1,516	768	748								

TABLE 102.—*Estimated amount of interest-bearing securities issued by all governmental tax status and by*  
*[Par value.<sup>1</sup> In*

June 30—	Grand total					U. S. Government				
	Total	Tax-exempt			Tax-able <sup>o</sup>	U. S. Government special issues to Federal agencies and trust funds	Total	Tax-exempt		Special issues to Federal agencies and trust funds
		Total	Wholly <sup>7</sup>	Partially <sup>8</sup>				Wholly <sup>7</sup>	Partially <sup>8</sup>	

## B. HELD BY FEDERAL

	(*)	(*)	(*)				(*)	(*)			
1913											
1914	1	1	1				1	1			
1915	1	1	1				1	1			
1916	2	2	2				2	2			
1917	2	2	2				2	2			
1918	148	148	61	87			91	4	87		
1919	616	616	142	474			479	5	474		
1920	411	411	173	238			245	7	238		
1921	541	541	191	351			358	8	351		
1922	571	571	147	424			432	8	424		
1923	521	521	111	410			419	9	410		
1924	496	496	113	384			393	10	384		
1925	652	556	132	424		95	530	10	424		95
1926	789	585	141	444		204	658	10	444		204
1927	863	504	114	390		359	759	10	390		359
1928	969	507	115	392		462	865	11	392		462
1929	1,050	443	116	327		607	945	11	327		607
1930	1,135	371	160	211		764	1,028	53	211		764
1931	577	286	137	149		291	470	30	149		291
1932	714	405	125	280		309	607	18	280		309
1933	823	499	208	291		323	691	76	291		323
1934	1,938	1,542	675	867		396	1,332	205	731		396
1935	3,296	2,663	1,413	1,250		633	1,656	139	884		633
1936	3,677	3,051	1,486	1,565		626	1,959	145	1,884		626
1937	4,977	3,419	1,476	1,943		1,558	3,251	113	1,580		1,558
1938	6,176	3,500	1,483	2,017		2,676	4,466	98	1,692		2,676
1939	7,169	3,398	1,364	2,034	(*)	3,770	5,605	86	1,748		3,770
1940	8,411	3,636	1,417	2,219	(*)	4,775	6,803	86	1,942		4,775
1941	10,014	3,726	1,572	2,154	168	6,120	8,225	58	1,887	160	6,120
1942	12,190	3,633	1,603	2,030	671	7,885	10,340	53	1,800	602	7,885
1943	15,526	2,888	1,234	1,654	1,766	10,871	14,091	34	1,641	1,544	10,871
1944	19,871	2,277	809	1,468	3,307	14,287	18,920	35	1,468	3,130	14,287

Footnotes on pp. 810 and 811.



TABLE 102.—*Estimated amount of interest-bearing securities issued by all governmental tax status and by*{Par value. <sup>1</sup> In millions

June 30—	Total	U. S. Government				Federal instrumentalities: Guaranteed issues		
		Total	Wholly tax- exempt <sup>7</sup>	Partially tax- exempt <sup>8</sup>	Taxable <sup>9</sup>	Total	Partially tax- exempt <sup>8</sup>	Taxable <sup>9</sup>

## C. HELD BY FEDERAL RESERVE BANKS

1913.....								
1914.....								
1915.....	8	8	8					
1916.....	57	57	57					
1917.....	66	66	66					
1918.....	255	255	58	197				
1919.....	292	292	25	267				
1920.....	341	341	25	316				
1921.....	259	259	22	237				
1922.....	555	555	17	538				
1923.....	102	102	12	90				
1924.....	431	431	6	425				
1925.....	353	353	3	350				
1926.....	385	385	3	382				
1927.....	370	370	3	367				
1928.....	235	235	3	232				
1929.....	216	216	3	213				
1930.....	591	591	301	290				
1931.....	668	668	451	217				
1932.....	1,784	1,784	1,422	362				
1933.....	1,998	1,998	1,582	416				
1934.....	2,432	2,432	1,990	442				
1935.....	2,433	2,433	2,143	290				
1936.....	2,430	2,430	2,115	315				
1937.....	2,526	2,526	1,794	732				
1938.....	2,564	2,564	1,820	744				
1939.....	2,551	2,551	1,640	911				
1940.....	2,466	2,458	1,128	1,330		9	9	
1941.....	2,184	2,179	775	1,208	196	5	5	
1942.....	2,645	2,640	634	1,179	827	5	2	3
1943.....	7,202	7,149	306	1,292	5,551	54	31	23
1944.....	14,901	14,899	49	943	13,906	2		2

Footnotes on pp. 810 and 811.



units in the United States outstanding on June 30, 1913 through 1944, classified by type of issuer <sup>1</sup>—Continued

of dollars]

June 30—	Total	U. S. Government			States, counties, cities, etc. (wholly tax- exempt) <sup>7</sup>	Territories and possessions (wholly tax- exempt) <sup>7</sup>
		Total	Partially tax- exempt <sup>8</sup>	Taxable <sup>9</sup>		

D. HELD IN SINKING FUNDS OF STATES, LOCALITIES, TERRITORIES, AND POSSESSIONS

1913.....	621				620	1
1914.....	670				669	1
1915.....	736				735	1
1916.....	794				793	1
1917.....	861				860	1
1918.....	950				949	1
1919.....	1,053				1,052	1
1920.....	1,081				1,080	1
1921.....	1,094				1,090	4
1922.....	1,329				1,328	1
1923.....	1,508				1,506	2
1924.....	1,634				1,627	7
1925.....	1,762				1,753	9
1926.....	1,904				1,889	15
1927.....	2,037				2,020	17
1928.....	2,151				2,139	12
1929.....	2,296				2,281	15
1930.....	2,431				2,418	13
1931.....	2,155				2,141	14
1932.....	1,472	50	50		1,399	23
1933.....	1,492	51	51		1,417	24
1934.....	1,513	52	52		1,436	25
1935.....	1,534	54	54		1,454	26
1936.....	1,554	55	55		1,473	26
1937.....	1,578	61	61		1,491	26
1938.....	1,583	59	59		1,501	23
1939.....	1,612	61	61		1,530	21
1940.....	1,637	77	77		1,535	25
1941.....	1,680	108	108		1,549	23
1942.....	1,700	151	91	60	1,525	24
1943.....	1,836	347	78	269	1,475	14
1944.....	2,177	828	50	778	1,340	9

E. HELD IN TRUST AND INVESTMENT FUNDS OF STATES, LOCALITIES, TERRITORIES, AND POSSESSIONS <sup>11</sup>

1937.....	2,479	200	200		2,279	
1938.....	2,603	210	210		2,393	
1939.....	2,742	221	221		2,513	8
1940.....	2,768	259	259		2,500	9
1941.....	2,808	284	284		2,520	4
1942.....	3,046	471	256	215	2,575	
1943.....	3,344	937	217	720	2,400	8
1944.....	4,339	2,390	175	2,215	1,927	22

TABLE 102—*Estimated amount of interest-bearing securities issued by all governmental tax status and by*[Par value.<sup>2</sup> In millions]

June 30	Grand total					U. S. Government				
	Total	Tax-exempt			Tax-able <sup>1</sup>	U. S. Government special issues to Federal agencies and trust funds	Total	Tax-exempt		Special issues to Federal agencies and trust funds
		Total	Wholly <sup>7</sup>	Partially <sup>8</sup>				Wholly <sup>7</sup>	Partially <sup>8</sup>	

## F. TOTAL AMOUNT HELD BY GOVERNMENTAL

## 1. 1913-36: EXCLUDES HOLDINGS BY TRUST AND INVESTMENT

							(*)	(*)		
1913.....	621	621	621	-----	-----	-----	1	1	-----	-----
1914.....	671	671	671	-----	-----	-----	9	9	-----	-----
1915.....	745	745	745	-----	-----	-----	59	59	-----	-----
1916.....	853	853	853	-----	-----	-----	68	68	-----	-----
1917.....	929	929	929	-----	-----	-----	346	62	284	-----
1918.....	1,353	1,353	1,069	284	-----	-----	771	30	741	-----
1919.....	1,961	1,961	1,220	741	-----	-----	586	32	554	-----
1920.....	1,833	1,833	1,279	554	-----	-----	617	30	588	-----
1921.....	1,894	1,894	1,307	588	-----	-----	987	25	962	-----
1922.....	2,455	2,455	1,493	962	-----	-----	521	21	500	-----
1923.....	2,131	2,131	1,631	500	-----	-----	824	16	809	-----
1924.....	2,561	2,561	1,753	809	-----	-----	95	13	774	95
1925.....	2,767	2,671	1,897	774	-----	-----	204	1,043	826	204
1926.....	3,078	2,874	2,048	826	-----	-----	359	1,129	757	359
1927.....	3,270	2,911	2,154	757	-----	-----	462	1,100	624	462
1928.....	3,355	2,893	2,269	624	-----	-----	607	1,161	540	607
1929.....	3,562	2,955	2,415	540	-----	-----	764	1,619	501	764
1930.....	4,157	3,393	2,892	501	-----	-----	291	1,138	481	291
1931.....	3,400	3,109	2,743	366	-----	-----	309	2,441	692	309
1932.....	3,970	3,661	2,969	692	-----	-----	323	2,740	758	323
1933.....	4,313	3,989	3,231	758	-----	-----	396	3,816	2,195	396
1934.....	5,883	5,487	4,126	1,361	-----	-----	633	4,143	2,282	633
1935.....	7,263	6,630	5,036	1,594	-----	-----	626	4,444	2,260	626
1936.....	7,661	7,035	5,100	1,935	-----	-----				

## 2. 1937-44: INCLUDES HOLDINGS BY TRUST AND INVESTMENT

1937.....	11,560	10,002	7,066	2,936	-----	1,558	6,038	1,907	2,573	1,558
1938.....	12,926	10,250	7,220	3,030	-----	2,676	7,299	1,918	2,705	2,676
1939.....	14,074	10,303	7,076	3,227	(*)	3,770	8,438	1,726	2,941	3,770
1940.....	15,282	10,508	6,614	3,894	(*)	4,775	9,597	1,214	3,608	4,775
1941.....	16,686	10,202	6,443	3,759	364	6,120	10,796	833	3,487	356
1942.....	19,581	9,919	6,361	3,558	1,776	7,885	13,602	687	3,326	1,704
1943.....	27,908	8,709	5,437	3,272	8,329	10,871	22,522	340	3,228	8,084
1944.....	41,288	6,792	4,156	2,636	20,209	14,287	37,036	84	2,635	20,029

Footnotes on pp. 810 and 811.

units in the United States outstanding on June 30, 1913 through 1944, classified by type of issuer<sup>1</sup>—Continued.

of dollars]

Federal instrumentalities: Guaranteed issues				Federal instrumentalities: Nonguaranteed issues				State, local, and territorial governments		
Tax-exempt				Tax-exempt				Wholly tax-exempt <sup>7</sup>		
Total	Wholly <sup>7</sup>	Partially <sup>8</sup>	Tax-able <sup>9</sup>	Total	Wholly <sup>7</sup>	Partially <sup>8</sup>	Tax-able <sup>9</sup>	Total	Issues of States and localities	Issues of Territories and possessions

#### FUNDS AND FEDERAL RESERVE BANKS

#### FUNDS OF STATES, LOCALITIES, TERRITORIES, AND POSSESSIONS

								621	620	1
								670	669	1
								736	735	1
								794	793	1
								861	860	1
								950	949	1
				57	57			1,053	1,052	1
				137	137			1,081	1,080	1
				166	166			1,094	1,090	4
				183	183			1,329	1,328	1
				139	139			1,508	1,506	2
				102	102			1,634	1,627	7
				103	103			1,762	1,753	9
				122	122			1,904	1,889	15
				131	131			2,037	2,020	17
				104	104			2,151	2,139	12
				105	105			2,296	2,281	15
				106	106			2,432	2,419	13
				106	106			2,156	2,142	14
				106	106			1,423	1,400	23
				106	106			1,467	1,443	24
136		136		317	317			1,614	1,589	25
366		366		928	928			1,826	1,800	26
377		377		919	919			1,921	1,895	26

#### FUNDS OF STATES, LOCALITIES, TERRITORIES, AND POSSESSIONS

363		363		835	835			4,324	4,298	26
325		325		847	847			4,455	4,432	23
286		286	(*)	852	852			4,498	4,469	29
286		286	(*)	852	852			4,548	4,514	34
274		272	2	823	817		6	4,793	4,766	27
288		232	55	832	815		17	4,859	4,835	24
286		44	242	569	566		3	4,531	4,509	22
180		(*)	180	192	192			3,880	3,848	31

TABLE 102.—*Estimated amount of interest-bearing securities issued by all governmental tax status and by*[Par value.<sup>2</sup> In millions]

June 30	Grand total					U. S. Government					
	Total	Tax-exempt			Tax-able <sup>9</sup>	U. S. Gov- ernment special issues to Fed- eral agen- cies and trust funds	Total	Tax-exempt		Tax- able <sup>9</sup>	Special issues to Fed- eral agen- cies and trust funds
		Total	Whol- ly <sup>7</sup>	Par- tially <sup>8</sup>				Whol- ly <sup>7</sup>	Par- tially <sup>8</sup>		

## G. PRIVATELY HELD

## 1. 1913-36: INCLUDES HOLDINGS BY TRUST AND INVESTMENT

1913.....	4,902	4,902	4,902	-----	-----	-----	966	966	-----	-----	-----
1914.....	5,276	5,276	5,276	-----	-----	-----	967	967	-----	-----	-----
1915.....	5,675	5,675	5,675	-----	-----	-----	961	961	-----	-----	-----
1916.....	6,028	6,028	6,028	-----	-----	-----	913	913	-----	-----	-----
1917.....	8,114	8,114	8,114	-----	-----	-----	2,645	2,645	-----	-----	-----
1918.....	17,427	17,427	8,112	9,315	-----	-----	11,640	2,325	9,315	-----	-----
1919.....	30,816	30,816	8,965	21,852	-----	-----	24,463	2,798	21,666	-----	-----
1920.....	30,420	30,420	10,024	20,396	-----	-----	23,476	3,080	20,396	-----	-----
1921.....	30,827	30,827	10,610	20,216	-----	-----	23,122	2,905	20,216	-----	-----
1922.....	30,950	30,950	11,496	19,454	-----	-----	21,723	2,269	19,454	-----	-----
1923.....	31,651	31,651	12,438	19,213	-----	-----	21,486	2,273	19,213	-----	-----
1924.....	31,412	31,412	13,533	17,879	-----	-----	20,157	2,278	17,879	-----	-----
1925.....	31,914	31,914	14,748	17,167	-----	-----	19,328	2,162	17,167	-----	-----
1926.....	31,778	31,778	15,588	16,190	-----	-----	18,341	2,151	16,190	-----	-----
1927.....	31,665	31,665	16,692	14,973	-----	-----	17,124	2,151	14,973	-----	-----
1928.....	31,689	31,689	17,623	14,066	-----	-----	16,215	2,152	14,066	-----	-----
1929.....	31,866	31,866	18,542	13,324	-----	-----	15,478	2,154	13,324	-----	-----
1930.....	31,786	31,786	20,714	11,072	-----	-----	14,303	3,231	11,072	-----	-----
1931.....	31,227	31,227	22,778	11,448	-----	-----	15,382	3,933	11,448	-----	-----
1932.....	36,461	36,461	25,086	11,376	-----	-----	16,720	5,345	11,376	-----	-----
1933.....	39,211	39,211	27,945	11,267	-----	-----	19,418	8,152	11,267	-----	-----
1934.....	42,438	42,438	28,832	13,606	-----	-----	22,664	9,603	13,061	-----	-----
1935.....	46,020	46,020	29,410	16,610	-----	-----	23,502	10,649	12,853	-----	-----
1936.....	51,722	51,722	31,454	20,267	1	-----	28,545	12,619	15,926	-----	-----

## 2. 1937-44: EXCLUDES HOLDINGS BY TRUST AND INVESTMENT

1937.....	50,460	50,457	27,968	22,489	3	-----	29,762	11,600	18,162	-----	-----
1938.....	50,075	50,070	25,058	25,012	6	-----	29,277	8,899	20,379	-----	-----
1939.....	53,296	53,288	23,805	29,483	9	-----	31,448	7,304	24,145	-----	-----
1940.....	54,843	54,827	23,634	31,193	15	-----	32,779	6,928	25,851	-----	-----
1941.....	60,276	52,661	20,388	32,273	7,615	-----	37,591	4,070	26,674	6,847	-----
1942.....	78,671	48,683	19,145	29,538	29,990	-----	58,366	3,573	26,746	28,048	-----
1943.....	131,958	46,621	17,623	28,998	85,336	-----	112,858	2,710	26,394	83,754	-----
1944.....	178,545	40,528	15,674	24,854	138,017	-----	162,507	1,330	21,086	137,091	-----

NOTE.—Figures are rounded and will not necessarily add to totals. Figures in this table have been revised and are not necessarily comparable with material presented in the 1943 annual report: (1) Securities of the United States Government and Federal instrumentalities guaranteed by the United States have been revised to a daily Treasury statement basis after June 30, 1919; (2) securities issued directly to and held by the United States Treasury are no longer included in issues outstanding; and (3) certain securities issued "on credit of the United States" have been reclassified as nonguaranteed securities of Federal instrumentalities.

<sup>1</sup> Less than \$500,000.

<sup>2</sup> The "total amount outstanding" of securities of the several issuers differs from the gross indebtedness of these issuers in that the former excludes noninterest-bearing debt. The "total privately held securities" differs from the net indebtedness of the borrowers in several additional respects. The former is derived by deducting from the total amount of interest-bearing securities outstanding the amount of such securities held by Federal agencies, Federal Reserve Banks, and by public sinking, trust, and investment funds. Net indebtedness, on the other hand, is derived by deducting from the gross indebtedness an amount equivalent to the total volume of sinking fund assets of the respective borrowers, but makes no allowance for any other public assets.

<sup>3</sup> In the case of data which include United States savings bonds, Series A-D, E, and F, the figures for these bonds represent current redemption values.

<sup>4</sup> Data for June 30, 1920, to date on daily Treasury statement basis; data for prior years on Public Debt accounts basis.

<sup>5</sup> On basis of daily Treasury statement.

units in the United States outstanding on June 30, 1913 through 1944, classified by type of issuer <sup>1</sup>—Continued

of dollars]

Federal instrumentalities: Guaranteed issues				Federal instrumentalities: Nonguaranteed issues				State, local, and territorial governments		
Total	Tax-exempt		Tax- able <sup>2</sup>	Total	Tax-exempt		Tax- able <sup>2</sup>	Wholly tax-exempt <sup>7</sup>		
	Wholly <sup>7</sup>	Partially <sup>8</sup>			Wholly <sup>7</sup>	Partially <sup>8</sup>		Total	Issues of States and localities	Issues of Territories and possession

## SECURITIES

### FUNDS OF STATES, LOCALITIES, TERRITORIES, AND POSSESSIONS

								3,936	3,908	27
								4,309	4,280	29
								4,714	4,682	32
								5,115	5,082	33
								5,469	5,430	39
				54	54			5,733	5,694	39
				323	137	186		6,030	5,990	40
				235	235			6,709	6,666	43
				267	267			7,438	7,386	52
				591	591			8,636	8,565	71
				960	960			9,205	9,092	113
				1,128	1,128			10,127	10,006	121
				1,384	1,384			11,202	11,077	125
				1,528	1,528			11,909	11,775	134
				1,685	1,685			12,856	12,715	141
				1,762	1,762			13,709	13,560	149
				1,762	1,762			14,626	14,479	147
				1,765	1,765			15,718	15,566	152
				1,779	1,779			17,066	16,918	148
				1,674	1,674			18,067	17,930	137
				1,588	1,588			18,205	18,074	131
545		545		1,870	1,870			17,359	17,234	125
3,757		3,757		1,471	1,471			17,290	17,172	118
4,341		4,341		1,400	1,399		1	17,436	17,317	119

### FUNDS OF STATES, LOCALITIES, TERRITORIES, AND POSSESSIONS

4,302		4,302	(*)	1,422	1,394	25	3	14,974	14,854	120
4,528		4,527	1	1,415	1,304	106	5	14,855	14,732	123
5,164		5,163	1	1,421	1,238	175	8	15,263	15,142	121
5,212		5,208	4	1,355	1,210	134	11	15,496	15,377	119
6,086		5,438	648	1,385	1,104	161	120	15,214	15,094	120
4,261		2,683	1,579	1,386	914	109	363	14,658	14,544	114
3,806		2,549	1,257	1,292	910	55	326	14,063	13,897	106
1,335		768	568	1,268	910		358	13,434	13,346	89

<sup>1</sup> Guaranteed securities consist of Commodity Credit Corporation notes, Home Owners' Loan Corporation bonds (including those guaranteed as to interest only), Reconstruction Finance Corporation notes, Tennessee Valley Authority bonds, Federal Public Housing Authority (formerly United States Housing Authority) notes, Federal Farm Mortgage Corporation bonds, and Federal Housing Administration debentures. Excludes stocks and interagency loans.

<sup>2</sup> Includes Electric Home and Farm Authority notes, Federal intermediate credit bank debentures, Federal land bank bonds (both those issued by the individual banks and the consolidated series), Federal National Mortgage Association notes, home loan bank debentures, War Finance Corporation bonds (World War I), joint stock land bank bonds, and certain bonds of the Tennessee Valley Authority issued "on credit of the United States." Excludes stocks and interagency loans.

<sup>7</sup> See footnote 3 on p. 801.

<sup>8</sup> See footnote 4 on p. 801.

<sup>9</sup> See footnote 5 on p. 801.

<sup>10</sup> Excludes Federal Reserve Banks. Includes individual Indian trust funds and securities held by the exchange stabilization fund.

<sup>11</sup> Data for earlier years not available.

## CUSTOMS STATISTICS

TABLE 103.—*Values of dutiable and taxable imports for consumption and estimated duties and taxes collected by tariff schedules, fiscal years 1942 and 1943*

Tariff schedule	Value		Estimated duties and import taxes <sup>1</sup>		Percentage increase or decrease (—)	
	1942	1943	1942	1943	Value	Duties
1. Chemicals, oils, and paints....	\$57,062,090	\$36,035,070	\$14,289,713	\$7,043,600	-36.8	-50.7
2. Earths, earthenware, and glassware.....	25,570,134	16,279,521	6,667,035	3,955,206	-36.3	-40.7
3. Metals and manufactures.....	113,069,712	108,144,433	36,184,170	28,290,116	-4.4	-21.8
4. Wood and manufactures.....	45,870,126	35,235,189	2,632,390	1,868,799	-23.2	-29.0
5. Sugar, molasses, and manufactures.....	151,691,777	137,158,538	51,163,859	38,084,188	-9.6	-25.6
6. Tobacco and manufactures.....	36,884,617	44,043,711	22,009,973	24,868,559	19.4	13.0
7. Agricultural products and provisions.....	185,753,381	213,793,732	54,039,258	39,771,287	15.1	-26.4
8. Spirits, wines, and other beverages.....	42,421,262	71,393,108	24,734,808	39,050,208	68.3	57.9
9. Cotton manufactures.....	11,267,513	7,480,221	3,585,832	2,337,468	-33.6	-34.8
10. Flax, hemp, jute, and manufactures.....	80,129,571	40,940,267	9,804,254	4,987,454	-48.9	-49.1
11. Wool and manufactures.....	183,275,946	188,252,554	117,149,935	120,299,610	2.7	2.7
12. Silk manufactures.....	1,896,372	454,630	932,322	219,632	-76.0	-76.4
13. Manufactures of rayon or other synthetic textiles.....	601,679	200,822	205,034	111,266	-66.6	-45.7
14. Pulp, paper and books.....	16,781,341	5,942,791	3,543,341	761,666	-64.6	-78.5
15. Sundries.....	122,463,314	101,807,462	19,775,051	13,806,615	-16.9	-30.2
Free list commodities taxable under Revenue Act of 1932 and subsequent acts.....	90,600,586	24,250,903	17,648,375	3,424,966	-73.2	-80.6
Dutiable under section 466, Tariff Act of 1930, etc. ....	438,512	566,693	237,953	343,133	29.2	44.2
Total.....	1,165,777,933	1,031,979,645	384,603,303	329,223,773	-11.5	-14.4

<sup>1</sup> Taxes collected on dutiable commodities under the revenue acts and the Sugar Act of 1937 are included in appropriate schedules.

TABLE 104.—*Estimated customs duties, value of imports entered for consumption, and ratio of duties to value of dutiable imports and to value of all imports, calendar years 1934 through 1943 and by months from January 1941 through December 1943*<sup>1</sup>

[Dollars in thousands]

Period	Estimated duties (including taxes on imports)	Value of imports entered for consumption		Ratio of dutiable to total	Ratio of duties to value of—	
		Total	Dutiable <sup>2</sup>		Dutiable imports	Total imports
By calendar years:				Percent	Percent	Percent
1934 .....	\$301, 168	\$1, 636, 003	\$644, 842	39.42	46.70	18.41
1935 .....	357, 608	2, 038, 905	832, 423	40.83	42.96	17.54
1936 .....	408, 061	2, 423, 977	1, 038, 219	42.83	39.30	16.83
1937 .....	470, 505	3, 009, 852	1, 243, 534	41.31	37.84	15.63
1938 .....	301, 380	1, 949, 624	765, 964	39.29	39.36	15.46
1939 .....	328, 352	2, 276, 099	878, 050	38.58	37.40	14.43
1940 .....	318, 267	2, 540, 656	891, 835	35.10	35.69	12.53
1941 .....	438, 596	3, 222, 534	1, 191, 224	36.97	36.82	13.61
1942 .....	318, 490	2, 769, 556	1, 069, 679	36.46	31.54	11.50
1943 .....	391, 540	3, 387, 227	1, 207, 301	35.64	32.43	11.56
By months:						
1941—January .....	31, 951	223, 630	79, 682	35.63	40.10	14.29
February .....	31, 951	216, 522	80, 881	37.35	40.30	15.06
March .....	38, 706	254, 553	98, 519	38.70	39.29	15.21
April .....	48, 866	274, 578	115, 234	41.97	42.41	17.80
May .....	40, 060	281, 351	102, 031	36.26	39.26	14.24
June .....	37, 028	261, 099	99, 787	38.22	37.11	14.18
July .....	32, 743	264, 726	92, 757	35.04	35.30	12.37
August .....	36, 172	274, 014	100, 731	36.76	35.91	13.20
September .....	38, 161	265, 163	103, 613	39.08	36.83	14.39
October .....	34, 688	292, 334	101, 782	34.82	34.08	11.87
November .....	28, 864	276, 293	92, 235	33.38	31.29	10.45
December .....	38, 756	338, 271	123, 973	36.65	31.26	11.46
1942—January .....	32, 822	256, 129	101, 790	39.74	32.24	12.81
February .....	28, 208	239, 457	88, 196	36.83	31.98	11.78
March .....	31, 879	252, 050	100, 619	39.92	31.68	12.65
April .....	32, 672	222, 713	98, 610	44.28	33.13	14.67
May .....	24, 918	186, 620	80, 955	43.38	30.78	13.35
June .....	24, 720	190, 155	80, 519	42.34	30.70	13.00
July .....	25, 064	210, 496	76, 666	36.42	32.69	11.91
August .....	20, 981	183, 458	68, 777	37.49	30.51	11.44
September .....	22, 543	199, 285	76, 003	38.14	29.66	11.31
October .....	23, 901	230, 042	80, 039	34.79	29.86	10.39
November .....	21, 663	193, 681	67, 141	34.67	32.26	11.18
December .....	29, 119	405, 470	90, 366	22.29	32.22	7.18
1943—January .....	24, 326	246, 065	73, 119	29.72	33.27	9.89
February .....	27, 217	245, 418	82, 946	33.80	32.81	11.09
March .....	32, 202	263, 690	101, 905	38.65	31.60	12.21
April .....	32, 249	267, 603	97, 773	36.54	32.98	12.05
May .....	35, 575	285, 271	109, 329	38.32	32.54	12.47
June .....	34, 384	300, 216	107, 917	35.95	31.86	11.45
July .....	33, 504	303, 845	117, 627	38.71	28.48	11.03
August .....	37, 673	306, 029	110, 529	36.12	34.08	12.31
September .....	31, 632	279, 325	95, 942	34.35	32.97	11.32
October .....	37, 439	316, 724	112, 042	35.38	33.42	11.82
November .....	32, 072	301, 620	99, 232	32.90	32.32	10.63
December .....	33, 267	271, 421	98, 942	36.45	33.62	12.26

NOTE.—Figures are rounded and will not necessarily add to totals.

<sup>1</sup> Revised.<sup>2</sup> The amount of customs duties is calculated on the basis of reports of the Bureau of the Census showing the quantity and value of merchandise imported. Figures for 1934 were compiled by the Bureau of Foreign and Domestic Commerce; figures for 1935 and subsequent years were compiled by the Treasury Department. For figures back to 1867, see annual reports for 1930, p. 523; 1932, p. 382; and corresponding tables in subsequent reports.<sup>3</sup> Imports into the Virgin Islands from foreign countries not included in "dutiable" imports for 1935 and subsequent years.

TABLE 105.—Estimated customs duties, value of dutiable imports, and ratio of estimated duties to value of dutiable imports, by tariff schedules, for the calendar years 1934 through 1943 and by months from January 1941 through December 1943<sup>1</sup>

Period	[Dollars in thousands]													
	Schedule 1.—Chemicals, oils, and paints			Schedule 2.—Earths, earthenware, and glassware			Schedule 3.—Metals and manufactures			Schedule 4.—Wood and manufactures				
	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports		
By calendar years:	1934	\$17,375	\$45,438	38.24	\$10,675	\$19,195	55.61	\$20,284	\$57,802	35.09	\$2,270	\$8,904	22.92	
	1935	28,205	66,105	42.67	11,636	22,853	50.92	23,305	68,013	34.27	2,923	12,657	23.09	
	1936	25,349	69,317	36.57	13,620	28,104	48.46	29,496	94,776	31.12	2,782	16,975	16.39	
	1937	24,264	83,316	35.12	18,007	36,954	48.89	37,135	114,020	32.57	3,188	19,861	15.97	
	1938	19,417	51,958	37.37	11,049	24,693	44.75	21,493	68,172	31.53	2,156	13,503	15.97	
	1939	19,634	56,586	34.70	10,794	25,369	42.55	25,749	89,728	28.70	2,096	17,002	12.33	
	1940	12,356	41,204	29.99	8,806	22,303	39.43	31,161	102,303	30.46	1,723	17,461	9.87	
	1941	13,291	48,695	27.29	7,742	23,857	29.94	43,435	126,095	31.45	2,536	36,039	7.04	
	1942	10,621	47,203	22.50	4,786	19,031	25.15	28,040	102,300	27.41	2,413	46,185	5.22	
	1943	7,634	41,480	18.40	4,071	18,399	22.13	31,434	120,054	26.18	1,642	27,852	5.90	
	By months:	1941—January	935	3,010	31.06	583	1,740	33.51	2,796	8,798	31.78	148	1,580	9.37
		February	843	3,321	25.36	579	1,675	34.57	2,711	7,912	34.26	160	1,729	9.25
		March	870	3,419	25.45	613	1,938	31.63	3,587	10,634	33.73	162	2,204	7.35
April		919	3,490	26.33	710	1,985	35.77	4,410	12,112	36.41	196	2,038	9.62	
May		1,111	3,985	27.88	615	1,794	34.28	4,653	13,328	34.91	196	2,487	7.88	
June		1,486	4,562	32.57	696	2,355	29.55	4,162	12,072	34.48	251	3,074	8.17	
July		1,234	4,321	28.56	674	2,301	29.29	3,071	8,984	34.18	254	3,495	7.27	
August		784	2,999	26.14	657	2,285	28.75	4,182	11,821	33.38	272	4,660	5.84	
September		988	4,438	22.26	734	2,367	31.01	3,955	11,045	35.81	240	4,120	5.83	
October		1,166	4,281	27.24	583	2,397	24.32	4,563	12,244	37.27	273	4,547	6.00	
November		923	4,010	23.02	636	2,548	24.96	2,607	9,023	28.89	198	3,232	6.13	
December		2,033	6,855	29.66	660	2,472	26.70	2,737	8,123	33.69	186	2,874	6.47	
1942—		January	1,749	7,243	24.15	374	1,776	21.06	2,582	8,706	29.66	127	2,510	5.06
	February	1,208	4,681	25.81	467	2,038	22.91	2,276	7,914	28.76	180	3,314	5.43	
	March	1,234	6,121	20.16	531	2,151	24.69	2,604	9,207	28.28	213	3,956	5.38	
	April	1,194	4,296	27.79	576	2,320	24.83	2,641	8,935	29.56	206	3,782	5.45	
	May	732	3,334	21.96	359	1,494	24.03	2,172	7,858	27.64	206	4,027	5.12	
	June	1,046	4,483	23.33	415	1,423	29.16	2,793	9,210	30.33	277	5,352	5.18	
	July	532	3,430	15.51	370	1,324	27.95	1,952	7,866	24.82	234	5,254	4.83	
	August	390	2,387	16.34	214	681	31.42	1,896	7,667	24.73	234	4,711	4.97	
	September	407	2,592	15.70	447	1,965	22.41	2,322	8,325	27.89	206	4,082	5.05	
	October	1,005	3,477	28.90	306	1,038	29.48	2,088	8,270	25.25	206	3,863	5.33	
	November	320	1,959	16.33	307	1,198	25.63	2,056	8,185	25.12	151	2,716	5.56	
	December	805	3,202	25.14	421	1,595	26.39	2,659	10,156	26.18	154	2,617	5.88	



1943—January February March April May June July August September October November December	Schedule 5.—Sugar, molasses, and manufactures			Schedule 6.—Tobacco and manufactures			Schedule 7.—Agricultural products and provisions			Schedule 8.—Spirits, wines, and other beverages		
	Percent			Percent			Percent			Percent		
613	2,487	24.65	206	854	24.12	2,252	8,965	25.12	107	1,982	5.40	
925	3,989	30.95	363	1,620	22.41	1,966	7,537	26.08	117	2,098	5.38	
546	3,254	16.78	335	1,590	21.07	2,981	10,587	28.16	116	2,370	4.89	
499	3,264	15.29	342	1,709	20.01	2,414	9,122	26.46	111	2,164	5.63	
482	3,162	15.24	398	1,677	23.73	3,074	10,923	28.14	97	1,464	6.63	
519	3,834	13.54	247	968	24.75	2,632	10,542	24.97	115	1,914	6.01	
543	3,760	14.44	404	1,717	23.53	1,706	7,769	21.96	127	2,223	5.71	
987	4,667	20.72	337	1,301	25.90	4,794	15,559	30.81	162	2,647	6.12	
464	2,702	17.17	359	1,728	20.78	2,399	10,108	23.73	153	2,434	6.29	
1,066	5,880	19.10	310	1,301	23.83	2,987	11,682	25.64	164	2,594	6.32	
401	2,402	16.69	375	1,884	19.90	1,621	7,266	22.50	182	2,871	6.34	
608	3,380	17.99	395	2,020	19.55	2,609	10,085	25.87	190	3,091	6.15	

By calendar years: 1934 1935 1936 1937 1938 1939 1940 1941 1942 1943	Schedule 5.—Sugar, molasses, and manufactures			Schedule 6.—Tobacco and manufactures			Schedule 7.—Agricultural products and provisions			Schedule 8.—Spirits, wines, and other beverages		
	Percent			Percent			Percent			Percent		
\$43,706	\$64,945	67.30	\$22,486	\$25,235	89.11	\$53,269	\$138,787	38.38	\$42,471	\$50,202	84.60	
39,985	94,958	42.11	21,958	25,974	84.54	87,559	219,133	39.96	39,326	42,384	92.79	
40,578	113,423	35.78	25,231	29,931	84.30	90,559	247,153	36.64	43,954	77,169	56.96	
45,371	126,645	35.83	24,213	31,775	76.20	106,775	310,156	34.43	46,963	74,973	61.48	
45,506	95,486	47.66	24,408	35,803	68.17	115,058	147,857	34.53	34,498	59,400	58.02	
46,218	90,543	51.05	23,927	35,999	66.47	56,419	173,808	32.46	34,206	59,076	57.90	
42,826	87,780	48.79	22,173	36,085	60.44	46,083	137,228	31.30	32,753	53,800	60.87	
63,886	145,375	43.74	23,017	38,026	60.53	56,818	173,113	32.82	30,186	49,635	60.82	
36,056	134,811	26.75	22,505	37,779	59.37	41,868	178,729	23.15	28,811	56,695	50.82	
55,730	194,349	28.68	23,044	43,269	53.33	40,526	248,557	16.30	61,563	83,994	74.09	
3,586	7,648	46.89	2,002	3,249	61.02	4,495	11,808	38.07	1,610	2,565	62.77	
4,399	9,202	47.80	1,552	2,530	61.34	4,354	11,317	38.47	1,723	2,769	62.22	
6,199	13,468	46.03	1,969	3,283	59.98	5,123	12,879	39.78	2,371	3,919	60.50	
8,985	17,150	50.70	1,810	2,981	60.72	6,271	15,106	41.51	2,823	4,552	62.02	
6,196	14,447	42.80	1,924	3,304	58.23	4,759	14,867	32.28	4,042	6,535	61.85	
5,505	13,310	41.36	1,973	3,235	60.99	3,380	12,334	27.40	2,333	3,699	63.07	
4,356	10,658	40.87	1,847	3,114	59.31	3,545	12,381	28.63	1,999	3,281	60.93	
6,237	11,505	54.21	1,834	2,993	61.28	4,671	16,358	28.55	2,254	3,633	62.04	
4,515	9,094	49.65	1,976	3,314	59.63	5,096	14,977	34.03	2,235	3,682	59.43	
5,000	13,237	37.77	2,137	3,437	62.18	5,031	15,763	31.92	2,235	3,648	61.27	
2,884	9,295	31.03	2,125	3,457	61.47	4,059	14,378	28.23	1,919	3,257	58.92	
6,014	16,360	36.76	1,870	3,129	59.76	5,996	20,945	28.63	2,800	4,914	56.98	

Footnotes at end of table.

TABLE 105.—*Estimated customs duties, value of dutiable imports, and ratio of estimated duties to value of dutiable imports, by tariff schedules, for the calendar years 1934 through 1943 and by months from January 1941 through December 1943*—Continued

(Dollars in thousands)

Period	Schedule 5.—Sugar, molasses, and manufactures—Continued				Schedule 6.—Tobacco and manufactures—Continued				Schedule 7.—Agricultural products and provisions—Continued				Schedule 8.—Spirits, wines, and other beverages—Continued			
	Estimated duties	Value of dutiable imports	Ratio of duties to imports		Estimated duties	Value of dutiable imports	Ratio of duties to imports		Estimated duties	Value of dutiable imports	Ratio of duties to imports		Estimated duties	Value of dutiable imports	Ratio of duties to imports	
<b>By months—Continued.</b>																
<b>1942—</b>																
January.....	\$4,695	\$13,332	35.22	Percent	\$2,169	\$3,652	59.39	Percent	\$5,670	\$30,633	27.48	Percent	\$1,571	\$2,748	57.17	Percent
February.....	3,391	11,194	30.29		1,528	2,689	56.82		4,163	14,561	28.59		1,401	2,421	57.87	
March.....	3,877	14,377	26.97		1,614	2,793	57.79		4,375	14,258	30.68		1,725	2,985	57.79	
April.....	3,887	14,961	25.98		1,589	2,799	56.77		5,599	17,776	31.50		1,576	2,707	58.22	
May.....	2,957	14,268	20.72		1,443	2,388	60.43		3,162	11,909	26.55		1,569	2,786	56.32	
June.....	3,352	13,411	24.90		1,878	3,119	60.21		2,674	11,814	22.63		1,608	3,179	50.58	
July.....	2,322	11,087	23.74		1,839	3,399	54.10		2,151	10,784	19.95		1,984	3,477	57.06	
August.....	2,211	8,630	25.62		1,661	2,791	59.51		2,101	12,204	17.22		2,201	3,786	58.14	
September.....	1,831	6,041	30.31		2,666	4,997	53.35		2,235	16,292	13.72		2,897	4,868	59.51	
October.....	1,962	7,093	27.66		3,220	3,220	67.33		2,853	14,711	19.39		4,576	14,203	32.22	
November.....	2,693	9,530	21.96		1,763	2,647	66.79		2,240	11,959	18.73		3,877	7,037	55.09	
December.....	3,169	10,888	29.11		2,152	3,286	66.40		4,145	21,827	18.99		3,826	6,496	58.90	
<b>1943—</b>																
January.....	2,884	10,061	28.67		2,156	3,840	56.15		3,033	14,653	20.70		2,325	4,151	56.01	
February.....	3,368	12,182	27.65		1,884	3,415	55.17		3,877	18,401	21.07		2,805	4,904	57.20	
March.....	4,268	14,944	28.56		2,418	4,822	50.15		4,343	21,714	20.00		3,789	6,433	58.90	
April.....	3,523	11,889	29.63		2,822	6,294	44.84		4,246	22,230	19.10		3,446	5,528	62.34	
May.....	4,371	15,017	29.11		1,856	3,238	57.32		4,627	25,331	18.23		3,283	4,956	66.24	
June.....	5,772	19,797	29.16		1,449	2,996	69.13		3,920	23,637	16.58		4,041	5,552	72.78	
July.....	7,585	25,690	29.45		1,625	2,494	65.04		3,267	22,542	14.49		4,297	6,017	71.41	
August.....	4,695	16,509	28.44		1,621	2,806	57.77		3,108	21,862	14.22		5,622	7,013	80.17	
September.....	4,643	15,633	29.70		1,722	3,176	54.22		2,608	20,868	12.91		5,797	7,192	80.60	
October.....	6,065	21,296	28.48		1,823	3,586	50.84		2,793	20,849	13.40		8,328	9,191	90.61	
November.....	4,340	15,741	27.57		1,925	3,868	49.77		2,830	21,677	13.06		8,374	10,398	80.53	
December.....	4,236	15,590	27.17		1,742	3,646	47.78		1,788	14,744	12.13		9,457	11,760	80.42	
<b>By calendar years:</b>																
1934.....	\$10,814	\$23,892	45.26	Percent	\$13,271	\$53,547	24.78	Percent	\$17,187	\$21,648	79.39	Percent	\$2,586	\$4,624	55.93	Percent
1935.....	10,852	27,136	39.99		15,083	62,430	24.16		23,510	28,857	81.47		3,557	6,039	58.90	
1936.....	14,008	35,087	39.92		16,819	68,147	24.68		44,687	59,298	75.36		3,810	6,833	55.76	

1887.....	17,155	44,052	38,94	19,029	77,656	24,50	51,617	82,560	62,52	4,756	8,736	54.44
1888.....	9,439	24,288	38,86	12,092	49,402	24,48	18,531	27,418	27.59	3,327	6,185	53.79
1889.....	9,841	27,284	36.07	10,829	54,765	19.77	33,624	49,271	68.24	2,776	5,286	52.52
1890.....	7,050	20,106	35.06	10,255	68,033	15.07	51,601	77,829	66.30	2,148	4,074	52.72
1891.....	5,002	15,003	33.34	9,526	69,846	13.64	123,118	185,672	66.31	1,457	2,829	51.50
1892.....	2,548	8,270	30.81	6,639	52,309	12.69	112,973	178,771	63.19	1,411	855	48.07
1893.....	2,707	8,946	30.26	4,857	40,635	11.95	134,360	218,316	61.54	209	438	47.72
By months:												
1941-January.....	440	1,264	34.81	665	3,879	16.89	10,820	15,703	68.90	148	276	53.62
February.....	481	1,414	34.02	838	5,307	15.79	10,664	15,188	70.21	136	253	53.75
March.....	477	1,423	33.52	822	5,405	15.21	9,834	14,613	67.30	139	258	53.88
April.....	552	1,622	34.01	702	4,522	15.52	14,106	21,265	66.33	124	232	53.43
May.....	440	1,338	33.56	616	4,087	13.07	11,275	16,875	66.81	145	278	52.16
June.....	407	1,157	33.18	866	6,197	13.97	11,677	17,809	65.02	101	189	53.44
July.....	406	1,202	33.78	894	6,842	13.07	10,494	15,868	66.20	169	332	50.90
August.....	385	1,153	33.39	818	6,425	12.73	9,392	14,242	68.95	121	236	51.27
September.....	413	1,288	32.07	643	4,633	13.82	9,712	14,453	67.20	124	245	50.61
October.....	273	793	34.43	671	5,515	12.17	8,037	12,352	65.07	75	150	50.00
November.....	284	831	34.18	766	6,126	12.50	7,920	12,701	62.36	76	174	43.08
December.....	435	1,519	28.64	1,235	10,888	11.34	9,188	14,476	63.47	101	206	49.03
1942-January.....	182	628	28.98	690	6,099	11.31	9,785	15,001	65.23	34	76	44.74
February.....	306	925	33.08	1,018	6,877	14.80	9,676	15,223	63.56	68	147	46.26
March.....	257	801	32.08	1,053	9,369	11.24	11,890	19,012	62.54	48	100	48.00
April.....	276	931	29.65	814	7,335	11.10	12,396	19,856	62.43	34	74	45.95
May.....	167	556	30.01	656	5,810	11.29	10,198	16,471	61.91	52	90	57.78
June.....	202	642	31.46	548	4,192	13.07	8,463	13,593	62.26	31	68	45.59
July.....	171	609	28.08	348	2,380	14.62	11,140	17,184	64.83	19	41	46.34
August.....	175	582	30.07	255	1,718	14.84	8,470	13,577	62.38	12	28	42.86
September.....	180	591	30.46	268	1,869	14.34	7,750	12,901	63.52	16	34	47.06
October.....	236	752	31.88	411	3,167	12.98	6,672	10,644	62.68	42	88	47.73
November.....	194	612	31.70	287	1,610	17.83	7,170	11,339	63.23	17	35	48.37
December.....	201	641	31.36	293	1,884	13.55	9,362	14,670	63.82	38	76	50.00
1943-January.....	218	707	30.83	424	3,537	11.99	8,751	13,660	64.06	15	32	46.88
February.....	138	484	32.64	413	3,654	11.30	10,018	15,452	64.71	13	27	48.15
March.....	146	479	30.48	792	7,518	10.49	10,907	16,748	65.12	12	23	52.17
April.....	194	609	31.86	421	3,620	11.63	12,596	19,378	65.00	11	23	47.83
May.....	268	821	32.64	444	3,805	11.67	14,502	23,415	61.93	12	25	48.00
June.....	196	592	33.11	632	6,148	10.28	12,960	19,955	64.95	11	23	47.83
July.....	258	778	33.16	617	5,685	10.85	11,411	18,965	42.32	10	20	50.00
August.....	304	919	33.08	332	2,440	13.61	13,640	21,441	63.62	18	37	48.65
September.....	185	646	28.64	290	1,603	18.09	10,946	17,066	64.37	31	67	46.27
October.....	234	746	31.37	165	1,070	15.42	10,877	16,894	64.38	27	55	49.09
November.....	261	985	26.50	157	742	21.16	9,045	13,810	65.50	21	43	48.84
December.....	285	1,179	24.17	169	782	21.61	8,706	13,592	64.19	28	61	45.90

Footnotes at end of table.

TABLE 105.—Estimated customs duties, value of dutiable imports, and ratio of estimated duties to value of dutiable imports, by tariff schedules, for the calendar years 1934 through 1943 and by months from January 1941 through December 1943—Continued

(Dollars in thousands)

Period	Schedule 13.—Manufactures of rayon or other synthetic textiles					Schedule 14.—Pulp, paper and books					Schedule 15.—Sundries					Free-list commodities taxable under the Revenue Act of 1932 and subsequent acts <sup>1</sup> , dutiable under section 466, Tariff Act of 1930, etc.				
	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports		
By calendar years:																				
1934.....	\$794	\$1,096	Percent	\$2,346	\$9,482	Percent	\$31,647	\$85,185	Percent	\$9,987	\$33,862	Percent								
1935.....	831	1,730	72.45	2,697	11,118	24.74	36,172	111,030	37.15	10,008	32,011	32.58								
1936.....	2,197	5,209	48.03	3,029	13,201	24.26	41,545	136,546	32.58	10,396	37,049	31.26								
1937.....	3,240	7,499	42.18	3,324	15,113	22.95	49,246	169,064	30.43	12,033	41,153	28.06								
1938.....	2,274	6,041	43.21	2,531	11,970	21.99	33,959	110,444	29.13	9,636	33,285	29.24								
1939.....	3,090	10,210	37.64	2,152	11,461	21.14	35,245	133,270	30.75	11,753	38,394	28.95								
1940.....	1,260	3,898	30.26	1,278	7,550	18.78	29,558	114,957	26.45	17,235	86,582	30.61								
1941.....	1,753	2,550	32.32	2,791	13,641	16.93	25,438	132,757	25.71	29,901	126,091	19.91								
1942.....	81	202	29.53	1,643	9,534	20.46	13,411	96,819	19.16	6,183	40,185	23.71								
1943.....	113	219	50.10	1,029	7,432	17.23	17,457	115,815	15.07	5,163	38,505	13.41								
By months:																				
1941—January.....	93	334	27.84	99	636	15.57	2,201	10,119	21.75	2,703	7,073	18.99								
February.....	330	330	27.27	84	521	16.12	1,990	8,744	22.76	1,996	8,665	23.04								
March.....	124	449	27.62	77	458	15.78	2,361	9,797	24.10	3,978	14,342	27.74								
April.....	103	357	28.85	103	739	13.94	2,261	11,030	20.50	5,081	16,052	31.65								
May.....	75	275	27.27	87	580	15.00	2,026	10,210	19.84	1,851	7,642	24.22								
June.....	102	330	30.91	83	590	14.07	1,949	10,009	19.47	2,058	8,765	23.48								
July.....	39	131	29.77	93	625	13.28	2,128	11,339	18.77	1,551	7,856	19.74								
August.....	29	69	42.03	98	636	15.41	1,966	11,165	17.61	2,473	10,550	23.44								
September.....	45	161	27.95	390	1,740	22.41	2,422	11,926	20.31	2,830	12,931	21.89								
October.....	9	30	30.00	465	2,021	23.01	2,266	11,901	20.60	1,904	10,364	18.37								
November.....	16	24	66.67	523	2,141	24.43	1,833	11,351	16.15	2,095	9,690	21.62								
December.....	28	60	46.67	698	2,925	23.86	2,036	16,064	12.67	2,742	12,162	22.55								
1942—January.....	4	12	33.33	376	1,610	23.35	1,425	9,892	14.41	1,389	7,873	17.64								
February.....	6	14	42.86	1,162	1,162	19.97	1,323	8,930	14.82	1,967	6,105	15.84								
March.....	6	13	46.15	326	1,573	20.72	1,276	8,157	15.64	850	5,749	14.79								
April.....	19	76	25.00	166	970	17.11	1,157	8,087	14.31	542	3,705	14.63								
May.....	2	5	40.00	87	622	13.99	865	7,269	11.90	292	2,068	14.12								
June.....	3	6	50.00	100	758	13.19	1,079	7,283	14.82	251	1,957	12.63								

July.....	1	100.00	57	461	12.36	981	6,400	15.33	634	2,968	21.36
August.....	15	88.24	64	484	13.22	901	7,987	11.35	181	1,580	11.46
September.....	3	30.00	52	403	12.90	1,130	10,253	11.02	131	1,449	9.04
October.....	2	5	40.00	62	492	335	6,721	13.91	378	2,235	16.47
November.....	8	20	40.00	56	463	945	6,303	14.99	172	1,529	11.25
December.....	13	54.17	66	536	12.31	1,394	9,538	14.54	394	2,878	13.69
1943—January.....	8	53.33	42	357	11.76	1,002	6,011	16.67	289	1,807	15.99
February.....	6	54.55	51	402	12.69	1,026	8,066	12.72	227	1,674	13.56
March.....	7	41.18	84	625	13.42	1,204	9,009	13.36	252	1,741	14.47
April.....	21	67.74	71	590	12.03	1,348	9,539	14.13	183	1,781	10.23
May.....	5	38.46	72	545	13.21	1,517	12,179	12.46	566	2,706	20.92
June.....	22	59.46	84	583	14.41	1,423	9,800	14.52	361	2,409	14.99
July.....	7	41.18	112	750	14.93	1,310	9,154	14.31	245	2,116	11.58
August.....	8	57.14	103	723	14.25	1,584	8,854	17.89	377	3,736	10.09
September.....	3	33.33	96	693	13.85	1,233	7,846	15.72	618	4,231	14.61
October.....	31	54.84	100	706	14.16	1,667	11,207	14.87	818	5,283	15.48
November.....	17	35.29	117	752	15.56	1,838	11,337	16.21	579	5,500	10.53
December.....	4	66.67	96	705	13.62	2,305	12,811	17.99	648	5,521	11.74

NOTE.—Dollar figures are rounded and will not necessarily add to totals.

\* Revised.

† The amount of customs duties is calculated on the basis of reports of the Bureau of the Census, showing the quantity and value of merchandise imported. Figures for 1934 were compiled by the Bureau of Foreign and Domestic Commerce; figures for 1935 and subsequent years were compiled by the Treasury Department. Total estimated duties and total value of dutiable imports will be found in table 104. For figures back to 1890 see annual reports for 1930, p. 325; 1932, p. 383; and corresponding tables in subsequent reports.

‡ Taxes collected on dutiable commodities under the revenue acts and the Sugar Act of 1917 are included in appropriate schedules.

TABLE 106.—Value of dutiable imports for consumption and estimated duties collected, by countries, fiscal years 1942, 1943, and 1944  
[In thousands of dollars]

Country	Duties			Value		Percentage duties to values			Value	Percentage decrease over 1943	Duty
	1942	1943	1944	1942	1943	1944	1942	1943	1944		
<b>North America:</b>											
Northern Area:											
Canada:	\$39,746	\$37,339	\$36,959	\$222,453	\$237,640	\$256,867	17.9	15.7	14.4	8.1	-1.0
Newfoundland:	881	346	184	3,230	2,007	2,033	27.1	16.7	9.1	-1.7	-46.8
Greenland and Iceland:	149	190	137	1,385	1,411	1,545	10.8	13.5	8.9	9.5	-27.9
Southern Area:											
Mexico:	19,681	15,837	22,822	46,664	58,972	80,640	42.2	26.9	28.3	36.7	44.1
Central American countries:	186	152	366	2,005	1,448	3,103	9.3	10.5	11.8	114.3	140.8
Caribbean Area:											
Cuba:	49,809	46,682	108,544	163,594	160,092	270,992	30.4	29.2	40.1	69.3	132.5
Dominican Republic:	1,916	396	157	2,816	1,830	1,006	68.0	21.6	15.6	-43.0	-60.4
French West Indies:	11	186	4,520	286	85	2,896	3.8	218.8	156.1	3,307.1	2,330.1
Haiti:	400	235	498	662	641	1,176	60.4	36.7	42.3	83.5	111.9
Jamaica:	426	658	1,284	960	1,719	3,600	44.4	38.3	35.7	109.4	95.1
Netherlands West Indies:	3,846	1,473	1,093	15,162	5,662	4,718	25.4	26.1	23.2	-16.7	-26.0
Trinidad and Tobago:	96	169	251	297	612	641	32.3	27.6	39.2	4.7	48.5
Other British West Indies:	212	167	192	1,086	813	1,088	19.5	20.5	17.6	33.8	15.0
Total North America:	117,362	103,834	177,007	480,625	472,992	630,307	25.5	22.0	28.1	33.3	70.5
<b>South America:</b>											
Argentina:	48,550	38,465	39,746	121,821	92,298	88,983	39.9	41.7	44.7	-3.6	3.3
Bolivia:	657	196	12	1,690	581	74	38.9	33.7	16.2	-87.3	-83.9
Brazil:	6,281	4,261	3,625	33,819	29,064	34,055	18.6	14.7	10.6	-14.9	-14.9
British Guiana:	3,174	335	192	1,020	2,078	1,236	17.1	16.1	15.5	17.2	-42.7
Chile:	3,419	4,818	4,400	8,628	8,606	7,816	39.6	56.0	57.1	-9.2	-7.4
Colombia:	862	135	768	7,740	1,821	8,452	11.5	7.4	9.1	363.4	468.9
Columbia:	294	295	591	2,230	3,485	6,506	11.8	7.6	9.1	86.7	123.0
Ecuador:	267	234	178	2,776	3,062	2,387	20.4	7.6	7.5	-22.1	-23.0
Paraguay:	9,560	2,094	2,134	11,136	6,039	5,489	85.8	34.7	38.9	-9.1	1.9
Peru:	1,029	746	883	6,784	5,178	6,228	15.2	14.4	14.2	20.3	18.4
Surinam:	11,638	13,279	21,433	9,934	25,583	35,345	58.4	51.9	60.6	138.2	61.4
Uruguay:	3,353	210	2,701	26,067	2,142	27,114	12.9	9.8	10.0	1,165.8	1,186.2
Venezuela:											
Total South America:	86,386	65,037	76,728	243,646	179,941	223,687	35.5	36.1	34.3	24.3	18.0
All others:	180,855	160,353	166,404	461,507	379,047	395,042	39.2	42.3	42.1	4.2	3.8
Grand total:	384,603	329,224	420,140	1,165,778	1,031,980	1,249,036	33.0	26.4	33.6	21.0	27.6

## MISCELLANEOUS

TABLE 107—*Net expenditures for Federal aid to States, individuals, etc. (exclusive of emergency appropriations from which grants are made to States), fiscal years 1920, 1930, 1940, and 1944*

Appropriation titles	1920	1930	1940	1944
<b>I. APPROPRIATIONS FROM WHICH DIRECT PAYMENTS ARE MADE TO STATES, INDIVIDUALS, ETC., UNDER COOPERATIVE ARRANGEMENTS</b>				
<b>EXECUTIVE OFFICE</b>				
<i>War Shipping Administration</i>				
State marine schools, act Mar. 4, 1911 (34 U. S. C. 1121).....	(1)	(1)	(1)	\$154,860.96
<b>INDEPENDENT ESTABLISHMENTS</b>				
<i>Federal Power Commission</i>				
Payments to States under Federal Power Act (16 U. S. C. 810).....		\$12,875.14	\$19,386.33	50,061.99
<i>Federal Security Agency</i>				
Colleges for agriculture and the mechanic arts (7 U. S. C. 321-343g).....	\$2,500,000.00	2,550,000.00	2,550,000.00	2,550,000.00
Further endowment of colleges of agriculture and the mechanic arts (7 U. S. C. 343e-343g; 54 Stat. 582).....			2,480,000.00	2,480,000.00
Cooperative vocational education in agriculture (20 U. S. C. 11-30).....	707,130.02	3,151,339.81	2 19,729.92	-----
Cooperative vocational education in trades and industries (20 U. S. C. 11-30).....	780,096.35	2,956,295.12	2 9,786.58	-----
Cooperative vocational education, teachers, etc. (20 U. S. C. 11-30).....	619,556.42	1,029,078.43	2 10,000.00	-----
Cooperative vocational education in home economics (20 U. S. C. 11-30).....		248,957.29	2 18,430.61	-----
Cooperative vocational education in distributive occupations (20 U. S. C. 11-30).....			2 10,000.00	-----
Cooperative vocational rehabilitation of persons disabled in industry (29 U. S. C. 31-45b).....		735,618.96	2,082,197.81	6,073,161.17
Further development and promotion of vocational education (20 U. S. C. 15h-15p; 54 Stat. 583, 29-30; 29 U. S. C. 31-35).....			19,384,914.13	20,334,389.66
Vocational education and training of defense workers (54 Stat. 632; 1033-1035; 55 Stat. 476-477).....				81,239,635.75
Civilian Conservation Corps (16 U. S. C. 584-584g; 54 Stat. 581).....			270,856,832.30	-----
Training for nurses, Public Health Service (56 Stat. 538; 57 Stat. 505).....				49,942,166.44
To promote the education of the blind (American Printing House for the Blind) (20 U. S. C. 101, 102).....	30,000.00	75,000.00	115,000.00	125,000.00
Expenses, Division of Venereal Diseases, Public Health Service (42 U. S. C. 24, 25; 52 Stat. 439, 440).....			4,188,399.31	9,702,282.61
Grants to States for public health work, Social Security Act, Aug. 14, 1935 (42 U. S. C. 801-803).....			9,500,706.43	10,839,952.83
Payment to States, United States Employment Service (29 U. S. C. 49-491).....			3,366,606.00	(2)
Grants to States under Social Security Act (42 U. S. C. 301-606, 1201-1206).....			329,303,433.26	440,540,265.16
Grants to States for public employment offices (29 U. S. C. 49-491).....				(2)
National Youth Administration (act June 26, 1940, 54 Stat. 590; 55 Stat. 487-488, 491-492).....				(4)
<b>Total</b> .....	<b>4,636,782.79</b>	<b>10,746,289.61</b>	<b>643,760,142.13</b>	<b>623,826,853.62</b>

Footnotes at end of table.

TABLE 107.—*Net expenditures for Federal aid to States, individuals, etc. (exclusive of emergency appropriations from which grants are made to States), fiscal years 1920, 1930, 1940, and 1944—Continued*

Appropriation titles	1920	1930	1940	1944
<b>I. APPROPRIATIONS FROM WHICH DIRECT PAYMENTS ARE MADE TO STATES, INDIVIDUALS, ETC., UNDER COOPERATIVE ARRANGEMENTS—Continued</b>				
<b>INDEPENDENT ESTABLISHMENTS—con.</b>				
<i>Federal Works Agency</i>				
Cooperative construction of rural post roads (23 U. S. C. 21, 54) (see also items of similar type under class II).....	\$20,305,622.75	\$77,887,692.53	\$150,469.87	-----
Federal-aid highway system (23 U. S. C. 1-24, 41, 21a, 23a, 41a).....	-----	-----	105,351,357.88	\$35,625,043.15
Federal-aid secondary or feeder roads (act June 16, 1936, 49 Stat. 1521, sec. 7).....	-----	-----	18,355,138.85	4,054,028.51
Elimination of grade crossings (act June 16, 1936, 49 Stat. 1521, sec. 8).....	-----	-----	29,521,720.26	5,893,849.28
Public-lands highways (act June 16, 1936, 49 Stat. 1520, sec. 3).....	-----	-----	2,128,682.39	167,864.20
United States Housing Authority fund (42 U. S. C. 1404 (d), 1418; 50 Stat. 889, 897, sec. 4 (d), 18).....	-----	-----	1,386,132.08	-----
Annual contributions, United States Housing Authority (42 U. S. C. 1410).....	-----	-----	-----	( <sup>3</sup> )
Total.....	20,305,622.75	77,887,692.53	156,893,501.33	45,740,785.14
<i>Interdepartmental Social Hygiene Board</i>				
Payments for prevention and research, venereal diseases (41 Stat. 888).....	1,759,262.72	-----	-----	-----
<i>National Housing Agency</i>				
Annual contributions, Federal Public Housing Authority (42 U. S. C. 1410).....	-----	-----	-----	10,131,076.59
<i>Veterans Administration</i>				
State and territorial homes for disabled soldiers and sailors (24 U. S. C. 134) (Annual appropriations under title "Salaries and expenses, Veterans Administration").....	1,094,584.44	575,206.34	978,766.88	1,119,200.37
<b>DEPARTMENT OF AGRICULTURE</b>				
Payments to State and Territories for agricultural experiment stations (7 U. S. C. 301-308, 361-386f, 369a, 427-427g).....	1,440,000.00	4,335,000.00	6,848,148.63	6,946,439.47
Cooperative agricultural extension work (7 U. S. C. 301-308, 341-348, 343c-343e, 343f, 343g).....	4,471,593.71	7,539,786.13	18,458,266.78	20,583,198.81
Payments to States and Territories from the national forests fund (16 U. S. C. 500).....	1,069,886.88	1,565,032.06	1,192,369.57	2,475,655.44
Payments to school funds, Arizona and New Mexico, national forests fund (act June 20, 1910, 36 Stat. 561, 573, secs. 6, 24).....	78,867.32	41,243.00	23,554.99	26,887.91
Forest-fire cooperation (16 U. S. C. 564-570).....	-----	1,383,040.89	1,987,537.50	5,552,386.22
Cooperative distribution of forest planting stock (16 U. S. C. 567).....	-----	80,315.09	90,331.66	104,956.93
Conservation and use of agricultural land resources (act Feb. 29, 1936, 16 U. S. C. 590G-590q).....	-----	-----	552,042,803.99	394,541,439.29
Payments to counties from submarginal land program (7 U. S. C. 1012).....	-----	-----	-----	75,280.72
Supply and distribution of farm labor, War Food Administration (57 Stat. 70).....	-----	-----	-----	5,850,893.00
Total.....	7,060,347.91	14,944,417.17	580,643,013.12	436,157,137.79

Footnotes at end of table.



TABLE 107.—*Net expenditures for Federal aid to States, individuals, etc. (exclusive of emergency appropriations from which grants are made to States), fiscal years 1920, 1930, 1940, and 1944—Continued*

Appropriation titles	1920	1930	1940	1944
<b>I. APPROPRIATIONS FROM WHICH DIRECT PAYMENTS ARE MADE TO STATES, INDIVIDUALS, ETC., UNDER COOPERATIVE ARRANGEMENTS—Continued</b>				
<b>DEPARTMENT OF THE INTERIOR</b>				
Payments to States from receipts under Mineral Leasing Act (30 U. S. C. 191)		\$1,387,838.33	\$2,151,654.16	\$2,698,035.06
Payments to States under Grazing Act, June 28, 1934, public lands (43 U. S. C. 315i)			503,969.63	97,581.82
Payments to States under Grazing Act, June 28, 1934, Indian ceded lands (43 U. S. C. 315j)				
Payments to counties from receipts under Migratory Bird Conservation Act (16 U. S. C. 715e)				43,441.31
Payment to States of 5% of proceeds of public lands (receipt limitation) (31 U. S. C. 711, par. 17; annual appropriation provided for 1942, act June 28, 1941, 55 Stat. 310)		18,291.68	602.08	2,160.52
Coos Bay wagon-road grant fund (act Feb. 26, 1919, 40 Stat. Sec. 5)		\$ 43,612.97	( <sup>6</sup> )	
Revested Oregon and California Railroad and reconveyed Coos Bay wagon-road grant lands, Oregon (reimbursable) (act Aug. 28, 1937, 50 Stat. 874)			142,040.85	
Payment of proceeds of sales of Coos Bay wagon-road grant lands and timber (receipt limitation) (act Feb. 26, 1919, 40 Stat. 1179)			12,771.12	
Payments to Coos and Douglas Counties, Ore., in lieu of taxes on Coos Bay wagon-road grant lands (act May 24, 1939, 53 Stat. 753)			221.00	17,380.44
Payment to certain counties in Oregon in lieu of taxes on Oregon and California grant lands (receipt limitation) (act June 9, 1916, 39 Stat. 222, sec. 10, and various supplemental acts; additional annual appropriation provided for 1939, act June 25, 1938, 52 Stat. 1129)		186,829.45	( <sup>7</sup> )	( <sup>7</sup> )
Payment to counties, Oregon and California grant lands (50%)				
Payment to counties in lieu of taxes on Oregon and California grant lands, 25 per centum fund (25%) (act Aug. 28, 1937, 50 Stat. 875)		792,558.45	313,845.13	950,423.47
Payment to Oklahoma from royalties, oil and gas, south half of Red River (receipt limitation) (act Mar. 4, 1923, 30 U. S. C. 233)		41,777.90	8,786.13	
Payment to States from potash deposits, royalties and rentals (act Feb. 7, 1927, secs. 5 and 6 (30 U. S. C. 149, 285, 286))			49,255.80	344,699.56
Payment to Alaska under Alaska Game Law (48 U. S. C. 199, Subdiv. K)			\$ 20,280.63	25,118.12
Payments to Arizona and Colorado for Colorado River Dam fund, Boulder Canyon Project (43 U. S. C. 617a, f)				600,000.00
<b>Total</b>		<b>2,470,908.78</b>	<b>3,203,426.53</b>	<b>4,778,840.30</b>
<b>DEPARTMENT OF LABOR</b>				
Grants to States under Social Security Act, Aug. 14, 1935 (42 U. S. C. 701-705, 711-715, 721)			9,680,706.10	11,158,076.56
Promotion of welfare and hygiene of maternity and infancy		\$ 9,522.00		
<b>Total</b>		<b>9,522.00</b>	<b>9,680,706.10</b>	<b>11,158,076.56</b>

Footnotes at end of table.

TABLE 107.—*Net expenditures for Federal aid to States, individuals, etc. (exclusive of emergency appropriations from which grants are made to States), fiscal years 1920, 1930, 1940, and 1944—Continued*

Appropriation titles	1920	1930	1940	1944
<b>I. APPROPRIATIONS FROM WHICH DIRECT PAYMENTS ARE MADE TO STATES, INDIVIDUALS, ETC., UNDER COOPERATIVE ARRANGEMENTS—Continued</b>				
<b>NAVY DEPARTMENT</b>				
State marine schools, act Mar. 4, 1911 (34 U. S. C. 1121).....	\$176,689.36	\$50,000.00	\$140,035.61	(1)
Total Class I.....	35,033,289.97	106,696,911.57	1,395,318,978.03	\$1,133,116,893.32
<b>II. APPROPRIATIONS FOR COOPERATIVE WORK WITH STATES</b>				
<b>DEPARTMENT OF AGRICULTURE</b>				
Cooperative construction, etc., of roads and trails, national forests (act July 11, 1916, 39 Stat. 358).....	1,699,043.82	(10)	(10)	(10)
Federal forest road construction (act Feb. 28, 1919, 40 Stat. 1201).....	2,550,513.26	(10)	(10)	(10)
Forest roads and trails (23 U. S. C. 23, 23a).....		7,961,031.77	11,478,686.21	11 6,516,650.14
Forest reserve fund, roads and trails for States (16 U. S. C. 501).....				
Cooperative fire protection of forested watersheds of navigable streams (16 U. S. C. 563).....	86,886.73			
Cooperative farm forestry (16 U. S. C. 567-568b).....		58,880.69		
Total.....	4,336,443.81	8,019,912.46	11,478,686.21	6,516,650.14
<b>DEPARTMENT OF THE INTERIOR</b>				
Federal aid, wildlife restoration (act Sept. 2, 1937, 50 Stat. 917).....			12 451,298.51	1,133,546.67
<b>TREASURY DEPARTMENT</b>				
<i>Public Health Service</i>				
Preventing the spread of epidemic diseases.....		273,329.98		
Interstate quarantine service.....		71,117.32		
Studies in rural sanitation.....		345,159.45		
Total.....		689,606.75		
<b>WAR DEPARTMENT</b>				
National Guard (32 U. S. C. 21, 22).....	2,663,485.27	31,987,927.34	71,019,749.28	244,909.84
Total Class II.....	6,999,929.08	40,697,446.55	82,949,734.00	7,895,106.65
Grand total.....	42,033,219.05	147,394,358.12	1,478,268,712.03	1,141,011,999.97

<sup>1</sup> This account was transferred from Navy Department to Executive Office, Office for Emergency Management, War Shipping Administration, by Executive Order No. 9198, dated July 11, 1942. Expenditures for fiscal years 1920, 1930, and 1940 are stated under Navy Department.

<sup>2</sup> Deduct; represents net repayments. These accounts were discontinued, but their functions are continued under the two accounts immediately following.

<sup>3</sup> This account was discontinued in 1941 and its functions continued under "Grants to States for public employment offices," stated under that caption. No expenditures for this activity in 1944.

<sup>4</sup> The National Youth Administration was transferred from Federal Security Agency to Executive Office, Office for Emergency Management, War Manpower Commission, pursuant to Executive Order No. 9247, dated Sept. 17, 1942. Expenditures for 1940 were made from Emergency Relief Appropriation Act funds, therefore not stated in this table.

<sup>5</sup> Executive Order No. 9070, dated Feb. 24, 1942, transferred the U. S. Housing Authority, its functions and duties to the National Housing Agency, Federal Public Housing Authority. Expenditures for 1944 are stated under National Housing Agency.

<sup>6</sup> Special fund account repealed as a permanent appropriation, effective July 1, 1935, by sec. 4 of the Permanent Appropriation Repeal Act, June 26, 1934 (48 Stat. 1227). Annual appropriation provided for same object under the account immediately following.

<sup>7</sup> Expenditures under this caption stated under combined accounts immediately following.

<sup>8</sup> Expenditures formerly classified under "Federal aid, wildlife restoration" in Class II of this statement.

<sup>9</sup> Activities under this caption expired June 30, 1929.

<sup>10</sup> These accounts consolidated with combined accounts immediately following.

<sup>11</sup> Expenditures under this caption comprise \$5,637,735.97 by Department of Agriculture and \$878,914.17 by Bureau of Public Roads, Federal Works Agency.

<sup>12</sup> This figure is reduced by amount of expenditures under "Alaska Game Law" now stated under Department of the Interior, Class I of this statement. (See footnote 8.)

TABLE 108.—Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1944

[The Treasury Department, for general information, has compiled from figures furnished by the departments and establishments concerned the following statement, exhibiting by States and Territories the amounts paid to each under the appropriations for Federal aid to States shown under Classes I and II in the preceding table. The amounts in this table, derived from the accounts of various departments and establishments, are not necessarily on the same accounting bases, and consequently not strictly comparable]

## PART A.—DIRECT PAYMENTS TO STATES UNDER COOPERATIVE ARRANGEMENTS

State	Department of Agriculture					
	Agricultural experiment stations	Agricultural extension work <sup>1</sup>	Supply and distribution of farm labor	Forest funds, etc. <sup>2</sup>	Roads and trails <sup>3</sup>	Payments to counties from sub-marginal land program
	(1)	(2)	(3)	(4)	(5)	(6)
Alabama.....	\$172,037.52	\$735,016.12	\$155,000.00	\$155,308.78	\$18,840.06	\$79.20
Arizona.....	103,285.16	125,243.39	65,000.00	26,624.04	107,048.08	36.54
Arkansas.....	153,531.46	614,572.10	120,000.00	142,574.40	147,637.57	3,383.69
California.....	171,893.64	501,911.62	675,000.00	676,000.30	246,129.62	409.78
Colorado.....	112,430.96	251,011.59	50,000.00	2,040.17	114,213.31	6,012.52
Connecticut.....	108,944.88	143,672.60	80,000.00	36,844.43	.....	.....
Delaware.....	91,127.23	77,739.70	20,000.00	6,583.41	.....	216.31
District of Columbia.....	.....	.....	.....	.....	.....	.....
Florida.....	124,782.16	253,063.54	100,000.00	319,739.39	37,174.15	879.36
Georgia.....	177,522.92	776,667.97	80,000.00	126,525.56	20,188.57	7,522.48
Idaho.....	104,219.84	179,187.71	120,000.00	136,202.77	179,118.26	662.43
Illinois.....	167,104.81	611,252.16	115,000.00	18,993.84	3,373.21	1,593.87
Indiana.....	152,900.44	526,995.67	95,000.00	21,583.13	704.29	.....
Iowa.....	154,854.64	589,200.72	75,000.00	3,047.21	324.81	.....
Kansas.....	140,050.96	433,743.15	25,000.00	1,839.50	.....	357.33
Kentucky.....	171,533.32	733,369.49	45,000.00	54,225.25	10,345.59	105.87
Louisiana.....	146,502.80	508,968.20	175,000.00	118,858.35	51,134.72	731.15
Maine.....	110,692.16	176,039.75	100,000.00	99,763.10	868.53	.....
Maryland.....	120,259.72	209,752.21	105,000.00	95,541.81	.....	46.88
Massachusetts.....	108,034.09	331,350.94	20,000.00	45,597.04	.....	.....
Michigan.....	162,763.19	551,975.36	195,000.00	266,809.09	29,894.61	690.30
Minnesota.....	147,269.04	565,870.13	100,000.00	159,081.53	34,517.41	4.97
Mississippi.....	162,651.40	757,609.66	80,000.00	122,137.48	23,297.24	1,314.53
Missouri.....	166,375.12	667,979.45	45,000.00	49,186.44	6,996.33	607.11
Montana.....	105,503.16	191,650.66	60,000.00	59,166.92	93,218.68	10,337.89
Nebraska.....	128,776.60	398,158.14	15,000.00	4,595.03	4,745.29	2,123.95
Nevada.....	92,734.64	81,031.85	38,000.00	.....	23,141.11	91.25
New Hampshire.....	98,507.40	101,187.48	35,000.00	39,331.04	11,898.25	.....
New Jersey.....	121,260.32	186,029.37	55,000.00	105,730.83	.....	.....
New Mexico.....	104,516.00	169,669.52	65,000.00	1,934.32	58,209.54	2,887.76
New York.....	183,671.89	533,417.60	814,893.00	135,647.93	.....	684.30
North Carolina.....	196,085.56	919,791.23	165,000.00	176,060.29	42,868.03	2,147.32
North Dakota.....	114,659.78	281,299.14	50,000.00	3,133.00	40.34	11,441.60
Ohio.....	171,023.93	674,948.72	200,000.00	35,655.48	1,287.11	.....
Oklahoma.....	158,450.84	603,601.71	180,000.00	33,174.31	16,147.24	1,607.25
Oregon.....	112,790.32	220,276.87	180,000.00	659,098.01	362,766.00	995.29
Pennsylvania.....	225,322.64	648,929.24	130,000.00	84,537.54	6,328.97	278.55
Rhode Island.....	91,434.87	54,704.09	7,000.00	15,482.48	.....	181.53
South Carolina.....	149,464.96	538,752.33	40,000.00	194,796.45	35,659.23	23.97
South Dakota.....	114,432.44	279,551.00	50,000.00	3,522.36	32,702.03	9,588.48
Tennessee.....	167,136.04	709,944.55	95,000.00	108,614.21	20,377.51	.....
Texas.....	239,364.76	1,279,449.93	360,000.00	117,246.66	40,342.30	2,680.61
Utah.....	100,503.68	140,870.24	50,000.00	9,014.31	44,428.68	164.76
Vermont.....	93,414.64	127,230.91	30,000.00	34,367.79	13,753.07	.....
Virginia.....	154,023.28	583,583.93	160,000.00	185,052.06	12,888.04	24.24
Washington.....	123,254.42	272,690.33	185,000.00	756,200.71	506,795.61	.....
West Virginia.....	145,859.16	362,763.76	25,000.00	78,659.78	10,283.45	180.71
Wisconsin.....	150,224.88	543,485.16	140,000.00	151,187.44	16,570.48	207.60
Wyoming.....	96,759.52	121,378.19	65,000.00	741.65	61,885.34	4,979.44
Alaska.....	39,752.44	28,950.00	.....	.....	26,411.54	.....
Hawaii.....	97,374.84	126,071.25	16,000.00	3,573.44	.....	.....
Puerto Rico.....	139,369.00	279,588.38	.....	2,600.00	1,101.24	.....
Total.....	6,946,439.47	20,583,198.81	5,850,893.00	5,684,231.06	2,475,655.44	75,280.72

<sup>1</sup> Includes \$1,815,648.00 for emergency extension work, War Food Administration programs.

<sup>2</sup> Comprises \$26,887.91 under payments to school funds, Arizona and New Mexico; \$5,552,386.22 under forest fire cooperation, and \$104,956.93 under farm and other private forestry cooperation.

<sup>3</sup> Represents payments to States and Territories from national forests fund.

TABLE 108.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1944—Continued*

## PART A.—DIRECT PAYMENTS TO STATES UNDER COOPERATIVE ARRANGEMENTS—Continued

State	Department of the Interior			Executive Office	Federal Power Commission—Payments to States under Federal Power Act	Veterans' Administration—State and territorial homes for disabled soldiers and sailors
	Wildlife restoration <sup>4</sup>	Payments from receipts under Mineral Leasing Act	Payments under certain special funds <sup>5</sup>	War Shipping Administration, State marine schools <sup>6</sup>	(11)	(12)
	(7)	(8)	(9)	(10)	(11)	(12)
Alabama.....	\$6,018.02	\$22.69	\$125.75		\$85.09	
Arizona.....	18,659.92	905.03	317,481.68		822.27	
Arkansas.....	29,983.16		100.33		40.43	
California.....	53,546.93	955,188.68	22,835.58	\$25,000.00	31,271.49	\$234,445.23
Colorado.....	41,583.87	89,603.24	6,191.82		880.49	17,281.01
Connecticut.....	3,884.09					62,836.65
Delaware.....	341.50					
District of Columbia.....						
Florida.....	18,744.15		158.95		5.34	
Georgia.....	16,505.65					
Idaho.....	23,726.87	60.00	4,791.63		3,495.31	8,524.35
Illinois.....	21,061.20					165,479.68
Indiana.....	66,130.96					49,559.58
Iowa.....	78,062.36					28,369.47
Kansas.....	49,535.94	2,579.83				18,184.24
Kentucky.....	669.61					
Louisiana.....	29,547.39	8,437.42	25.89			
Maine.....	14,387.55			41,610.96		
Maryland.....	9,760.57					
Massachusetts.....	12,172.85			25,000.00		91,859.04
Michigan.....	94,487.63	609.64	10.19		41.28	37,149.00
Minnesota.....	20,088.58		22.79		22.38	53,586.60
Mississippi.....	13,951.58		10.19		47.50	
Missouri.....	24,963.75		8.46		5.90	12,456.90
Montana.....	17,064.36	73,758.25	10,108.51		1,100.27	4,009.79
Nebraska.....	30,367.07	56.25	106.74			26,651.50
Nevada.....	1,197.44	1,160.06	300,012.77		1,663.56	6,144.45
New Hampshire.....						24,204.60
New Jersey.....	16,543.80					
New Mexico.....	13,992.88	535,827.81	336,179.97		20.27	
New York.....	41,538.94			38,250.00		998.81
North Carolina.....	10,466.77				73.25	
North Dakota.....	21,401.16	18,538.04	477.27			6,721.65
Ohio.....	63,687.40					95,993.55
Oklahoma.....	11,204.61	9,299.87	18.74			
Oregon.....	35,808.65	75.19	970,288.26		3,715.31	
Pennsylvania.....	54,168.68			25,000.00	75.50	32,532.90
Rhode Island.....						14,760.45
South Carolina.....	12,678.41				21.52	
South Dakota.....	5,319.81	4,371.40	2,462.73		30.92	20,273.46
Tennessee.....	3,469.69				3.76	
Texas.....	54,613.82					
Utah.....	25,584.87	125,519.27			2,381.98	
Vermont.....	4,656.86					9,550.80
Virginia.....	23,812.38				46.82	
Washington.....	6,862.58		2,304.59		3,172.13	59,260.05
West Virginia.....	5,264.60				6.98	
Wisconsin.....	39,902.95		117.80		7.18	35,564.86
Wyoming.....	15,512.94	872,022.39	38,405.17		351.31	2,801.75
Alaska.....	37,623.64				647.25	
Hawaii.....						
Puerto Rico.....	1,547.66				26.50	
Total.....	1,202,106.10	2,698,035.06	2,012,245.81	154,860.96	50,061.99	1,119,200.37

<sup>4</sup> Comprises \$1,133,546.67 under Wildlife Restoration Act; \$43,441.31 under Migratory Bird Act; and \$25,118.12 under Alaska Game Law.

<sup>5</sup> Comprises \$600,000 to Arizona and Nevada under Boulder Canyon Adjustment Act of July 19, 1940; \$680,363.43 payments to counties, Oregon and California grant lands; \$270,060.04 payments to counties in lieu of taxes on Oregon and California grant lands, 25 per centum fund; \$17,380.44 payments to Coos and Douglas Counties, Oreg., in lieu of taxes on Coos Bay Wagon Road grant lands; \$344,699.56 payments to States from potash deposits; \$97,581.82 payments to States under Grazing Act of June 28, 1934; and \$2,160.52 payments to States of 5% of net proceeds from sales of public lands.

<sup>6</sup> Transferred from Navy Department to Executive Office, Office for Emergency Management, War Shipping Administration, by Executive Order No. 9198, dated July 11, 1942.

TABLE 108.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1944—Continued*

## PART A.—DIRECT PAYMENTS TO STATES UNDER COOPERATIVE ARRANGEMENTS—Continued

State	Federal Security Agency				
	Office of Vocational Rehabilitation	Office of Education		American Printing House for the Blind	Payments to States under social security program <sup>1</sup>
		Colleges for agriculture and mechanic arts	Cooperative vocational education and rehabilitation		
	(13)	(14)	(15)	(16)	(17)
Alabama.....	\$95,422.23	\$102,332.47	\$594,812.41	\$5,269.37	\$3,890,245.09
Arizona.....	26,941.73	75,698.05	112,333.43	956.22	2,948,962.53
Arkansas.....	93,912.87	92,248.29	435,380.02	2,360.03	3,732,012.50
California.....	241,259.24	148,833.74	827,313.00	3,906.25	44,489,001.92
Colorado.....	9,065.24	82,820.14	184,034.98	976.56	10,602,379.29
Connecticut.....	70,413.11	89,507.51	235,037.21	1,098.63	3,963,521.37
Delaware.....	34,559.89	73,041.61	105,004.07	-----	381,067.48
District of Columbia.....	-----	-----	50,937.92	-----	1,150,196.28
Florida.....	103,169.48	91,655.11	306,888.77	1,912.43	6,209,671.97
Georgia.....	254,071.07	105,650.94	622,109.50	2,624.51	6,358,361.19
Idaho.....	10,367.40	75,990.36	112,744.43	386.55	2,344,183.95
Illinois.....	363,757.98	160,130.90	1,106,854.87	5,615.23	35,726,672.41
Indiana.....	90,627.93	109,121.30	557,085.36	2,563.47	12,254,091.75
Iowa.....	41,118.48	98,969.15	412,638.39	3,051.76	9,934,621.62
Kansas.....	45,527.36	90,554.99	288,891.84	1,647.95	6,540,028.19
Kentucky.....	96,099.78	102,477.04	525,379.36	3,072.10	4,439,838.92
Louisiana.....	104,431.72	96,978.88	418,414.70	2,441.41	7,730,448.66
Maine.....	40,565.86	79,669.36	145,267.83	-----	3,187,198.40
Maryland.....	39,778.71	90,785.79	245,491.60	1,912.43	3,311,631.13
Massachusetts.....	95,501.65	119,266.57	488,480.05	5,126.95	20,422,714.43
Michigan.....	184,001.55	129,987.73	816,642.85	5,350.76	21,707,334.21
Minnesota.....	71,936.13	101,868.41	453,434.74	3,112.80	12,628,568.05
Mississippi.....	73,815.27	94,923.58	499,037.95	2,176.92	2,556,807.83
Missouri.....	52,638.27	113,194.22	611,675.66	2,034.51	17,510,685.24
Montana.....	22,548.33	76,385.05	126,375.03	569.66	2,523,691.54
Nebraska.....	33,302.82	85,017.57	222,627.46	1,017.25	5,105,171.65
Nevada.....	6,430.66	71,258.25	57,202.37	-----	596,166.80
New Hampshire.....	21,603.95	75,609.75	84,232.85	-----	1,565,315.90
New Jersey.....	80,512.52	117,479.80	475,644.29	1,871.75	6,820,753.58
New Mexico.....	19,410.42	76,069.62	111,404.92	1,078.29	1,732,567.90
New York.....	408,492.43	223,836.92	1,679,942.12	9,989.43	30,304,315.28
North Carolina.....	186,699.16	110,762.80	760,531.07	6,001.79	4,504,672.17
North Dakota.....	27,852.62	77,326.39	107,921.61	651.04	1,987,037.28
Ohio.....	137,639.50	148,836.31	975,817.12	5,859.38	26,955,807.46
Oklahoma.....	97,772.26	96,665.64	451,608.24	2,685.55	15,272,031.10
Oregon.....	27,888.11	82,436.51	186,411.77	2,900.72	4,496,611.80
Pennsylvania.....	272,976.86	182,990.38	1,440,478.91	8,097.33	24,139,402.19
Rhode Island.....	27,411.37	78,141.40	107,088.73	-----	1,930,308.93
South Carolina.....	109,011.66	91,682.40	408,477.28	1,831.05	2,919,974.54
South Dakota.....	7,728.54	77,338.09	100,761.06	691.73	2,258,573.58
Tennessee.....	181,859.49	103,278.40	598,376.94	3,092.45	6,982,983.97
Texas.....	274,794.91	143,212.13	1,166,487.43	6,591.80	27,446,121.98
Utah.....	13,589.27	76,280.66	117,261.04	630.70	3,816,347.64
Vermont.....	36,227.71	74,099.89	114,296.87	-----	968,160.67
Virginia.....	77,295.05	100,561.32	521,479.83	4,028.32	2,816,585.44
Washington.....	53,929.22	89,815.07	292,598.88	1,831.05	15,953,298.09
West Virginia.....	72,545.51	91,707.16	331,935.80	2,278.64	3,637,937.07
Wisconsin.....	208,850.05	105,809.17	568,008.43	3,926.59	10,361,588.72
Wyoming.....	7,819.50	72,861.72	85,774.32	-----	933,980.70
Alaska.....	-----	50,000.00	-----	-----	362,977.71
Hawaii.....	29,617.28	74,831.46	103,580.64	366.21	508,964.11
Puerto Rico.....	26,071.76	50,000.00	347,140.97	1,322.43	264,667.40
Undistributed.....	-----	-----	-----	-----	202,958.38
Total.....	4,708,163.91	5,030,000.00	21,699,386.92	125,000.00	451,380,217.99

<sup>1</sup> Comprises \$410,540,265.16 payments by Social Security Board and \$10,839,952.83 by Public Health Service. The payments by Social Security Board include \$35,229,255.87 for administration of unemployment compensation as provided under Title III of the Social Security Act, and \$369,298.23 for enemy alien and civilian war assistance.

TABLE 108.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1944—Continued*

## PART A.—DIRECT PAYMENTS TO STATES UNDER COOPERATIVE ARRANGEMENTS—Continued

State	Department of Labor		Federal Works Agency— Public roads, highways <sup>a</sup>	Total direct payments
	Payments to States under social security program	Emergency maternity and infant care		
	(18)	(19)	(20)	(21)
Alabama.....	\$345, 103. 94	\$314, 938. 00	\$685, 462. 48	\$7, 276, 119. 22
Arizona.....	135, 392. 68	182, 352. 00	808, 962. 34	5, 056, 705. 09
Arkansas.....	208, 827. 15	403, 985. 00	605, 779. 19	6, 786, 328. 19
California.....	367, 202. 32	2, 243, 022. 00	2, 022, 771. 70	53, 936, 943. 04
Colorado.....	124, 570. 87	250, 080. 00	740, 586. 27	12, 685, 762. 33
Connecticut.....	146, 433. 43	409, 947. 00	393, 774. 97	5, 745, 915. 88
Delaware.....	54, 656. 03	77, 727. 00	107, 071. 02	1, 029, 135. 25
District of Columbia.....	148, 015. 54	234, 514. 00	123, 893. 08	1, 707, 556. 82
Florida.....	213, 427. 32	520, 898. 00	1, 114, 560. 88	9, 416, 731. 00
Georgia.....	311, 529. 50	365, 321. 00	1, 705, 439. 49	10, 930, 040. 35
Idaho.....	105, 180. 59	142, 918. 00	1, 172, 892. 10	4, 724, 652. 55
Illinois.....	360, 457. 54	1, 732, 252. 00	3, 646, 390. 79	44, 205, 990. 49
Indiana.....	251, 346. 82	1, 201, 508. 00	929, 544. 47	16, 308, 763. 17
Iowa.....	231, 336. 41	519, 252. 00	265, 473. 05	12, 435, 320. 07
Kansas.....	144, 214. 63	722, 727. 00	544, 109. 98	9, 048, 992. 89
Kentucky.....	293, 622. 79	484, 565. 00	899, 800. 56	7, 860, 104. 68
Louisiana.....	249, 970. 80	313, 673. 00	456, 888. 06	10, 412, 453. 15
Maine.....	125, 271. 59	151, 774. 00	310, 422. 65	4, 583, 531. 74
Maryland.....	191, 664. 75	369, 940. 00	579, 934. 83	5, 371, 500. 43
Massachusetts.....	219, 234. 75	1, 388, 870. 00	598, 587. 51	23, 773, 795. 87
Michigan.....	335, 549. 85	1, 061, 845. 00	1, 656, 942. 90	27, 237, 085. 14
Minnesota.....	241, 997. 19	690, 175. 00	598, 135. 62	15, 869, 691. 37
Mississippi.....	272, 502. 77	437, 980. 00	319, 679. 96	5, 417, 943. 86
Missouri.....	267, 662. 13	831, 681. 00	1, 157, 127. 38	21, 520, 277. 87
Montana.....	80, 395. 97	174, 195. 00	366, 177. 89	3, 996, 256. 96
Nebraska.....	164, 358. 31	414, 837. 00	489, 478. 41	7, 126, 391. 04
Nevada.....	52, 862. 21	50, 898. 00	461, 139. 12	1, 834, 990. 09
New Hampshire.....	78, 919. 77	128, 860. 00	74, 465. 96	2, 321, 076. 80
New Jersey.....	198, 263. 48	944, 051. 00	1, 224, 414. 83	10, 371, 760. 17
New Mexico.....	153, 052. 20	154, 656. 00	697, 304. 77	4, 233, 782. 19
New York.....	494, 020. 99	3, 365, 562. 00	1, 151, 870. 68	39, 387, 132. 32
North Carolina.....	329, 522. 74	738, 025. 00	264, 565. 69	8, 413, 272. 87
North Dakota.....	131, 832. 76	54, 328. 00	873, 922. 82	3, 768, 584. 40
Ohio.....	317, 883. 95	1, 832, 199. 00	2, 489, 729. 74	34, 106, 398. 65
Oklahoma.....	220, 271. 97	682, 629. 00	394, 537. 35	18, 231, 705. 68
Oregon.....	142, 131. 15	344, 595. 00	431, 793. 93	8, 260, 172. 89
Pennsylvania.....	505, 319. 08	1, 590, 272. 00	581, 309. 68	29, 919, 020. 45
Rhode Island.....	82, 076. 51	167, 344. 00	97, 868. 23	2, 673, 802. 59
South Carolina.....	312, 332. 11	465, 733. 00	249, 000. 38	5, 529, 439. 29
South Dakota.....	77, 248. 17	210, 831. 00	591, 584. 45	3, 847, 011. 25
Tennessee.....	237, 183. 81	304, 452. 00	1, 259, 458. 00	10, 775, 230. 82
Texas.....	555, 284. 62	891, 153. 00	1, 379, 211. 48	33, 956, 555. 43
Utah.....	114, 689. 12	278, 981. 00	571, 020. 38	5, 487, 067. 60
Vermont.....	86, 385. 94	90, 902. 00	42, 937. 66	1, 725, 984. 81
Virginia.....	300, 134. 69	330, 000. 00	702, 914. 84	5, 972, 430. 24
Washington.....	158, 356. 00	478, 794. 00	1, 345, 090. 20	20, 289, 252. 93
West Virginia.....	179, 426. 30	407, 180. 00	576, 583. 63	5, 927, 612. 55
Wisconsin.....	241, 226. 60	637, 943. 00	749, 944. 80	13, 954, 565. 71
Wyoming.....	66, 812. 66	64, 322. 00	170, 511. 53	2, 681, 920. 13
Alaska.....	82, 912. 80	18, 415. 00	-----	647, 690. 38
Hawaii.....	92, 064. 48	18, 100. 00	705, 763. 30	1, 776, 307. 01
Puerto Rico.....	357, 936. 78	54, 688. 00	583, 116. 92	2, 109, 177. 04
Undistributed.....	-----	-----	-----	202, 958. 38
Total.....	11, 158, 076. 56	29, 945, 889. 00	39, 969, 947. 95	612, 868, 891. 12

<sup>a</sup> Comprises \$35,625,043.15 for Federal-aid highway system (regular), \$4,054,028.51 for Federal-aid secondary or feeder roads (regular), and \$290,876.29 for restoration of roads and bridges and flood relief (regular).

TABLE 108.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1944—Continued*

PART B.—GRANTS TO AND EXPENDITURES WITHIN STATES PROVIDING DIRECT RELIEF, WORK RELIEF, AND OTHER AID, EXCLUSIVE OF LOANS

State	Department of Agriculture				Department of the Interior—Territories and Island Possessions <sup>10</sup>
	Farm Security Administration		Agricultural adjustment program	Forest roads and trails	
	War housing (22)	Other * (23)			
Alabama.....	\$21,710.74	\$2,475,435.96	\$12,893,265.57	\$42,093.52	
Arizona.....		113,002.55	2,219,514.63	141,113.33	
Arkansas.....	4,866.53	2,186,368.76	13,773,393.52	104,572.18	
California.....		1,751,649.11	17,876,457.88	989,409.09	
Colorado.....		1,553,928.61	11,733,371.84	213,400.70	
Connecticut.....	110.83	133,101.38	1,451,393.81		
Delaware.....		14,048.62	989,806.17		
District of Columbia.....	22.42	2,356,368.19	2,958,188.10	78,971.60	
Florida.....		441,057.07	6,009,336.78	45,051.42	
Georgia.....		1,349,378.75	14,226,662.33	62,615.12	
Idaho.....		288,410.66	11,039,502.22	549,190.26	
Illinois.....	2,969.09	437,299.09	44,705,391.33	26,964.23	
Indiana.....	3,084.28	1,525,851.66	22,951,707.75		
Iowa.....	72.38	393,499.70	47,211,137.68		
Kansas.....	10,441.89	496,788.76	39,209,806.59		
Kentucky.....		684,035.36	11,515,156.01	95,304.46	
Louisiana.....	1,659.93	706,917.12	17,889,399.57	31,368.36	
Maine.....	1,855.12	181,609.73	5,894,005.13	2,259.48	
Maryland.....	48,683.27	109,754.12	5,331,441.04		
Massachusetts.....		26,714.28	1,829,280.88		
Michigan.....	1,173.11	417,267.83	13,987,835.30	73,871.90	
Minnesota.....		513,160.62	27,188,406.24	89,020.72	
Mississippi.....	744.10	1,068,816.52	16,856,392.84	71,070.68	
Missouri.....	12,771.31	1,083,851.70	25,371,131.65	43,760.13	
Montana.....		363,851.59	14,336,227.98	703,083.83	
Nebraska.....		802,514.79	32,419,543.79	1,313.37	
Nevada.....		43,018.96	368,891.98	49,463.28	
New Hampshire.....		58,966.22	548,868.03	29,861.36	
New Jersey.....		83,716.24	3,325,179.19		
New Mexico.....		338,008.43	3,991,584.89	239,615.36	
New York.....		247,597.60	11,130,233.87		
North Carolina.....	3,949.12	1,409,068.09	15,259,755.81	64,365.50	
North Dakota.....		382,319.47	23,453,105.46		
Ohio.....	12,359.81	502,249.43	23,879,465.13	2,299.50	
Oklahoma.....		863,543.99	23,258,811.51	6,967.95	
Oregon.....	51.17	699,032.30	7,403,109.92	697,853.28	
Pennsylvania.....	5,940.46	765,469.26	10,663,074.28	56,360.66	
Rhode Island.....		6,740.89	281,191.21		
South Carolina.....		649,837.54	10,515,565.63	40,316.40	
South Dakota.....		492,869.65	17,090,006.76	17,795.43	
Tennessee.....		548,871.18	11,066,499.32	54,287.10	
Texas.....	4,113.86	2,915,806.56	48,291,584.37	62,097.51	
Utah.....	9,760.70	297,377.89	3,800,548.12	234,470.29	
Vermont.....	2,216.06	60,509.43	1,073,849.26	11,170.34	
Virginia.....	3,685.97	503,374.94	6,254,578.92	122,696.42	
Washington.....	20,773.06	311,717.42	11,817,783.01	246,222.87	
West Virginia.....		371,581.12	2,917,830.67	75,876.21	
Wisconsin.....	579.84	699,310.20	14,478,063.29	84,781.33	
Wyoming.....		188,901.40	3,436,051.22	85,466.02	
Alaska.....		12,417.55	12,735.63	80,049.90	
Hawaii.....		1,496.95	8,733,437.74		
Canal Zone.....					
Puerto Rico.....		861,201.14	14,967,542.78	11,284.88	\$25,893.84
Virgin Islands.....		44,753.50	47,055.17		140,000.00
Undistributed.....			1,367,400.99		
Total.....	173,595.05	34,833,839.88	701,301,560.79	5,637,735.97	165,893.84

\* Excludes war housing activities (stated separately) and rural rehabilitation loans of \$67,443,787.99; farm tenancy loans of \$24,074,253.68; water facilities loans of \$773,323.92; flood and windstorm damage loans of \$1,903,510.12; and \$55,314.07 from emergency funds for the President for loans incidental to evacuation of enemy aliens.

<sup>10</sup> Expenditures in Puerto Rico were made from the account "Emergency Relief, Interior, Puerto Rico Reconstruction Administration." Expenditures in Virgin Islands were from the account "Defraying Deficits in Treasuries of the Municipal Government, Virgin Islands, 1944."

TABLE 108.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1944—Continued*

PART B.—GRANTS TO AND EXPENDITURES WITHIN STATES PROVIDING DIRECT RELIEF, WORK RELIEF, AND OTHER AID, EXCLUSIVE OF LOANS—Continued

State	War Department— National Guard	Federal Security Agency		
		Training of nurses	Public Health Service	Office of Education— Training of defense workers
	(27)	(28)	(29)	(30)
Alabama.....	\$952.76	\$525,786.50	\$408,217.63	\$2,519,353.39
Arizona.....	1,252.55	115,825.00	38,594.00	423,036.24
Arkansas.....		221,859.00	163,533.00	615,775.79
California.....	9,087.52	2,056,138.83	410,480.98	9,484,234.77
Colorado.....	172.28	696,786.00	85,551.32	956,003.87
Connecticut.....	396.99	876,399.00	71,475.00	749,236.49
Delaware.....	625.04	115,445.00	21,101.00	670,959.28
District of Columbia.....	18.50	524,163.00	98,754.00	376,690.68
Florida.....	311.84	338,290.00	330,076.27	1,704,885.71
Georgia.....	1,542.65	857,994.72	484,983.53	1,286,808.82
Idaho.....	25.53	188,053.00	32,055.00	269,402.36
Illinois.....	1,400.87	3,700,575.50	425,800.00	3,587,667.01
Indiana.....	646.26	927,827.61	189,024.00	1,685,544.25
Iowa.....	8,684.42	1,031,282.50	107,489.00	502,378.83
Kansas.....		795,734.00	129,937.00	1,021,159.89
Kentucky.....		544,293.67	353,588.90	1,082,550.50
Louisiana.....	128.55	754,942.00	301,775.10	1,523,860.42
Maine.....	3,223.76	313,738.00	46,628.00	366,530.17
Maryland.....	305.97	850,957.00	132,740.58	1,245,054.72
Massachusetts.....	389.48	2,454,808.90	117,609.13	1,834,247.00
Michigan.....	3,011.76	1,700,009.00	259,505.84	2,463,243.09
Minnesota.....	6,346.54	2,167,144.89	121,424.00	1,509,815.66
Mississippi.....	532.98	128,857.00	414,740.13	857,729.50
Missouri.....	3,171.77	1,148,721.57	179,173.00	1,690,912.53
Montana.....		565,149.00	16,519.00	113,911.82
Nebraska.....		559,701.00	50,866.00	296,769.35
Nevada.....			15,461.00	103,064.83
New Hampshire.....	2,026.50	234,409.00	26,138.28	449,879.36
New Jersey.....	204.56	1,856,718.00	176,322.00	1,943,904.07
New Mexico.....	2.00	46,703.00	59,252.00	255,573.99
New York.....	17,785.43	4,739,198.64	529,817.94	7,932,760.83
North Carolina.....		773,532.00	417,433.76	1,295,590.15
North Dakota.....	2,318.05	512,786.60	35,464.00	120,934.55
Ohio.....	412.30	3,497,478.40	306,179.00	2,755,656.93
Oklahoma.....	508.34	461,494.00	220,106.12	1,238,626.94
Oregon.....		542,840.62	92,396.56	2,179,778.35
Pennsylvania.....	246.46	4,951,775.51	397,325.69	8,218,953.41
Rhode Island.....	1,807.74	286,290.00	23,387.00	477,221.86
South Carolina.....	230.96	500,986.00	327,759.23	554,342.69
South Dakota.....	7.89	498,884.00	37,294.00	125,877.05
Tennessee.....	17.01	922,399.50	274,560.00	1,371,423.39
Texas.....	4,181.08	1,755,536.00	679,010.39	4,477,515.77
Utah.....	587.21	403,114.48	41,194.00	1,143,314.82
Vermont.....	1,032.66	149,329.00	19,128.61	175,594.55
Virginia.....	799.12	1,014,389.50	259,923.00	1,206,239.26
Washington.....	2,690.12	1,019,377.50	96,215.62	3,271,568.65
West Virginia.....		610,257.00	139,800.00	1,122,753.13
Wisconsin.....		915,928.00	126,801.00	1,447,635.49
Wyoming.....	335.66	19,247.00	16,167.00	218,506.27
Alaska.....			23,968.00	
Hawaii.....			24,372.00	71,380.41
Canal Zone.....				
Puerto Rico.....		68,971.00	340,031.00	243,776.86
Virgin Islands.....			11,194.00	
Undistributed.....	167,488.73			
Total.....	244,909.84	49,942,166.44	9,702,282.61	81,239,635.75



TABLE 108.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1944—Continued*

## PART B.—GRANTS TO AND EXPENDITURES WITHIN STATES PROVIDING DIRECT RELIEF, WORK RELIEF, AND OTHER AID, EXCLUSIVE OF LOANS—Continued

State	Federal Works Agency <sup>12</sup>				
	Highways		Public Works Administration	Public Buildings Administration <sup>13</sup>	Work relief in Puerto Rico and Virgin Islands
	Forest highways	Public Roads Administration <sup>11</sup>			
	(31)	(32)	(33)	(34)	(35)
Alabama.....		\$2, 121, 503. 53		\$621, 818. 11	\$5, 183, 865. 00
Arizona.....	\$87, 154. 68	634, 432. 79		468, 977. 09	1, 652, 440. 00
Arkansas.....	15, 059. 91	547, 743. 40		15, 110. 54	695, 811. 00
California.....	3, 484. 88	9, 457, 297. 20		2, 843, 832. 81	15, 898, 307. 00
Colorado.....	54, 122. 06	571, 406. 50		13, 197. 18	403, 892. 00
Connecticut.....		302, 255. 29		103, 168. 08	2, 189, 072. 00
Delaware.....		172, 898. 02			101, 680. 00
District of Columbia.....		739, 587. 39	\$4, 050. 00	2, 698, 918. 77	304, 919. 00
Florida.....	14, 405. 38	6, 575, 631. 75		522, 315. 39	4, 103, 197. 00
Georgia.....		2, 716, 857. 63		534, 979. 60	5, 348, 764. 00
Idaho.....	194, 867. 57	972, 366. 72		19, 107. 00	73, 714. 00
Illinois.....		3, 142, 761. 82	1, 000, 000. 00	258, 836. 27	3, 289, 901. 00
Indiana.....		2, 616, 233. 16		259, 472. 93	2, 149, 042. 00
Iowa.....		719, 797. 28		15, 823. 99	368, 522. 00
Kansas.....		903, 475. 13		54, 961. 20	1, 093, 411. 00
Kentucky.....		1, 571, 459. 57		265, 518. 57	1, 740, 710. 00
Louisiana.....	8, 636. 68	2, 947, 772. 11		126, 499. 47	2, 104, 158. 00
Maine.....	1, 022. 65	694, 255. 77		90, 640. 18	897, 783. 00
Maryland.....		5, 399, 895. 74	24, 402. 41	962, 641. 44	3, 474, 501. 00
Massachusetts.....		1, 155, 876. 79	1, 850. 45	26, 685. 10	936, 417. 00
Michigan.....	4, 318. 10	8, 954, 091. 72		261, 282. 09	9, 158, 551. 00
Minnesota.....		327, 406. 52		5, 944. 88	274, 809. 00
Mississippi.....	7, 752. 06	1, 555, 211. 85		14, 829. 96	2, 233, 475. 00
Missouri.....	2, 064. 00	1, 110, 661. 97		126, 095. 07	1, 785, 865. 00
Montana.....	109, 942. 95	549, 675. 96			43, 694. 00
Nebraska.....		325, 190. 87	6, 698. 11	98, 475. 04	581, 728. 00
Nevada.....		780, 452. 04		96, 673. 05	935, 337. 00
New Hampshire.....		140, 760. 09		33, 272. 61	194, 337. 00
New Jersey.....		1, 871, 972. 82		197, 709. 12	1, 090, 049. 00
New Mexico.....	36, 614. 71	1, 044, 387. 48		12, 719. 57	152, 632. 00
New York.....	7, 493. 00	2, 293, 137. 42	201, 912. 03	380, 529. 69	3, 763, 807. 00
North Carolina.....		2, 057, 388. 70	1, 820, 053. 47	154, 896. 47	3, 709, 876. 00
North Dakota.....		32, 872. 35		2, 424. 11	83, 361. 00
Ohio.....	393. 09	6, 438, 718. 35	36, 802. 50	370, 413. 29	4, 182, 245. 00
Oklahoma.....		1, 949, 041. 41		293, 845. 30	2, 069, 056. 00
Oregon.....	51, 628. 83	3, 809, 189. 85		68, 955. 38	2, 066, 934. 00
Pennsylvania.....		3, 837, 245. 88	579, 823. 39	454, 303. 83	2, 582, 708. 00
Rhode Island.....		112, 440. 35		475. 00	1, 545, 440. 00
South Carolina.....		772, 040. 21	650, 000. 00	527, 935. 95	2, 691, 197. 00
South Dakota.....	1, 586. 39	270, 488. 02		85, 250. 95	433, 862. 00
Tennessee.....		1, 279, 564. 14		446, 645. 10	3, 438, 483. 00
Texas.....		3, 783, 582. 59		292, 671. 52	8, 954, 843. 00
Utah.....	21, 979. 45	2, 362, 155. 36		30, 013. 41	1, 366, 358. 00
Vermont.....		61, 658. 58			22, 391. 00
Virginia.....		7, 179, 593. 69		3, 863, 404. 95	9, 833, 982. 00
Washington.....	8, 991. 43	3, 068, 043. 37		1, 605, 002. 46	8, 875, 071. 00
West Virginia.....	3, 167. 94	1, 192, 735. 82		60, 961. 27	185, 564. 00
Wisconsin.....	7, 041. 99	325, 101. 76		143, 200. 70	683, 250. 00
Wyoming.....	25, 611. 21	184, 857. 82		5, 562. 63	72, 985. 00
Alaska.....	211, 575. 21			575. 00	419, 905. 00
Hawaii.....		1, 886, 080. 73		34, 077. 41	592, 292. 00
Canal Zone.....		559, 280. 00			
Puerto Rico.....		68, 520. 12		54, 157. 00	\$5, 369, 092. 16
Virgin Islands.....				736. 50	114, 992. 29
Undistributed.....				73, 166. 56	115, 480. 00
Total.....	878, 914. 17	104, 150, 075. 34	4, 325, 592. 36	19, 698, 709. 59	5, 484, 084. 45

<sup>a</sup> Excess of refunds over expenditures (deduct).<sup>11</sup> Comprises \$5,893,849.28 for elimination of grade crossings (regular); \$38,693.47 for highways and \$480,830.27 for elimination of grade crossings (emergency relief funds); \$7,670.62 National Industrial Recovery Act funds; and \$167,864.20 for public lands highways. Also includes \$97,561,167.50 for access roads, flight strips, strategic highway network and surveys and plans classified as war activities.<sup>12</sup> The Federal Works Agency has reported expenditures in the fiscal year 1944 of \$2,349,577.54 for liquidation of the Works Progress Administration, which are not included in this table.<sup>13</sup> Comprises \$19,420,835.89 for sites and construction and major alterations (regular); \$127,797.24 for sites and construction and major alterations (emergency funds) and \$150,076.46 for sites and construction and major alterations (emergency funds for the President). Included in the first amount is \$16,287,439.66 classified as war activities.

TABLE 108.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1944—Continued*

PART B.—GRANTS TO AND EXPENDITURES WITHIN STATES PROVIDING DIRECT RELIEF, WORK RELIEF, AND OTHER AID, EXCLUSIVE OF LOANS—Continued

State	National Housing Agency— Federal Public Housing Authority annual contributions  (37)	Total payments within States  (38)	Grand total  (39)
Alabama.....	\$242,685.08	\$27,059,687.79	\$34,335,807.01
Arizona.....	30,835.85	5,926,178.71	10,982,883.80
Arkansas.....	7,982.89	18,352,076.52	25,138,404.71
California.....	53,151.43	60,832,931.50	114,769,874.54
Colorado.....	19,574.15	16,301,406.51	28,987,168.84
Connecticut.....	281,847.59	6,158,456.37	11,904,372.25
Delaware.....		2,086,563.13	3,115,698.38
District of Columbia.....		10,140,651.65	11,848,208.47
Florida.....	406,308.01	20,490,866.62	29,907,597.62
Georgia.....	651,635.43	27,522,222.58	38,452,262.93
Idaho.....	10,002.45	13,636,676.77	18,361,329.32
Illinois.....	276,311.16	60,855,877.37	105,061,867.86
Indiana.....	109,937.31	32,418,371.21	48,727,134.38
Iowa.....		50,358,687.78	62,794,007.85
Kansas.....		43,715,715.46	52,764,708.35
Kentucky.....	475,791.33	18,328,418.37	26,188,523.05
Louisiana.....	630,602.17	27,027,719.48	37,440,172.63
Maine.....		8,493,560.99	13,077,092.73
Maryland.....	318,235.13	17,898,612.42	23,270,112.85
Massachusetts.....	662,319.79	9,046,198.80	32,819,994.67
Michigan.....	165,600.00	37,449,760.74	64,686,845.88
Minnesota.....		32,203,479.07	48,073,170.44
Mississippi.....	136,818.48	23,346,971.10	28,764,914.96
Missouri.....		32,558,179.70	54,078,457.57
Montana.....	40,126.28	16,842,182.41	20,838,439.37
Nebraska.....	105,460.02	35,248,320.34	42,374,711.38
Nevada.....		2,392,302.14	4,227,292.23
New Hampshire.....		1,718,518.45	4,039,595.25
New Jersey.....	949,535.88	11,489,310.88	21,861,071.05
New Mexico.....		6,177,093.43	10,410,875.62
New York.....	1,799,953.44	33,044,226.89	72,431,359.21
North Carolina.....	255,921.15	27,221,830.22	35,635,103.09
North Dakota.....		24,625,585.59	28,394,169.99
Ohio.....		41,984,672.73	76,091,071.38
Oklahoma.....		30,362,001.56	48,593,707.24
Oregon.....		17,611,770.26	25,871,943.15
Pennsylvania.....	663,901.34	33,177,128.17	63,096,148.62
Rhode Island.....	26,496.76	2,761,490.81	5,435,293.40
South Carolina.....	139,585.06	17,369,796.67	22,899,235.96
South Dakota.....		19,053,922.14	22,900,933.39
Tennessee.....	446,180.80	19,848,930.54	30,624,161.36
Texas.....	515,829.97	71,736,772.62	105,693,328.05
Utah.....		9,710,873.73	15,197,941.33
Vermont.....		1,576,879.49	3,302,864.30
Virginia.....	232,055.89	30,474,723.66	36,447,153.90
Washington.....	46,314.66	30,389,771.17	50,679,024.10
West Virginia.....	155,407.30	6,835,934.46	12,763,547.01
Wisconsin.....		18,911,693.60	32,866,259.31
Wyoming.....		4,253,691.23	6,935,611.36
Alaska.....		761,226.29	1,408,916.67
Hawaii.....	13,829.87	11,356,967.11	13,133,274.12
Canal Zone.....		559,280.00	559,280.00
Puerto Rico.....	260,839.92	17,583,296.70	19,692,473.74
Virgin Islands.....		229,041.46	229,041.46
Undistributed.....		1,723,536.28	1,926,494.66
Total.....	10,131,076.59	1,149,242,041.67	1,762,110,932.79

TABLE 109.—Number and amount of awards of the Mixed Claims Commission, United States and Germany, certified to the Secretary of the Treasury by the Secretary of State and the amount paid and balance due, by classes, as of Sept. 30, 1944

Awards certified	Total number of awards	Total amount	Class I		Class II		Class III		Private Law No. 509, approved July 19, 1940		United States Government	
			Number of awards	Awards on account of death and personal injury	Number of awards	Awards of \$100,000 and less	Number of awards	Other awards over \$100,000	Number of awards	Amount	Number of awards	Amount
1. Amount due on account:												
Principal of awards:												
Agreement of Aug. 10, 1922	4,734	\$175,955,880.92	424	\$3,549,437.75		3,996	\$15,562,321.98	310	\$114,809,326.78		4	\$12,034,794.41
Agreement of Dec. 31, 1928	2,291	5,852,354.38	115	556,625.00		2,169	2,447,803.92	7	2,577,925.46			
Private Law No. 509, approved July 19, 1940	1	160,000.00							1	\$160,000.00		
Less amounts paid by Alien Property Custodian and others												
		181,698,235.30		4,106,062.75			18,010,125.90	117,387,252.24		160,000.00		42,034,794.41
		187,226.85					48,012.50	139,214.35				
Interest to Jan. 1, 1928, at rates specified in awards:		181,511,008.45		4,106,062.75			17,962,113.40	117,248,037.89		160,000.00		42,034,794.41
Agreement of Aug. 10, 1922	78,751,456.32			745,302.98			7,113,930.76	51,682,897.36				19,299,325.22
Agreement of Dec. 31, 1928	2,649,630.04			115,976.22			971,159.15	1,562,494.67				
Private Law No. 509	64,000.00									64,000.00		
Total payable to Jan. 1, 1928:		262,976,094.81		4,967,341.95			26,047,203.31	170,493,429.92		224,000.00		61,244,119.63
Interest thereon to date of payment, or if unpaid Sept. 30, 1944, at 5% per annum as specified in the Settlement of War Claims Act of 1928												
	112,748,819.62			236,193.75			2,061,598.87	59,017,263.41		154,361.42		51,279,400.17
Total due claimants	7,026,375,724,914.43		539	5,203,537.70	6,165	28,108,802.18		229,510,693.33	1	375,361.42	4	112,623,519.80

Footnotes at end of table.





TABLE 110.—Transactions in commodity stamps, fiscal years 1939 through 1944 and monthly from July 1943 through June 1944<sup>1</sup>

Period	Stamps issued <sup>2</sup>				Total issued	Stamps re-deemed <sup>3</sup>	Amount out-standing
	For food		For cotton products				
	Sales	Gratuities	Sales	Gratuities			
By fiscal years:							
1939	\$246,886	\$150,443			\$387,329	\$256,935	\$140,394
1940	25,551,743	18,758,117	\$83,000	\$119,500	44,512,360	36,553,490	8,099,264
1941	152,889,279	88,859,063	2,191,200	2,515,500	251,661,744	219,387,287	40,373,721
1942	201,849,463	110,628,094	2,903,974	3,148,088	331,329,840	336,404,901	35,238,659
1943	80,195,218	42,286,463	-20,245	-28,432	122,335,752	154,780,454	2,743,958
1944	-11,772	-43,538			-59,671	748,152,108	2,025,246
Total, 1939 through 1944	460,720,817	260,638,581	5,157,929	5,754,656	750,177,354		2,025,246
By months:							
1943—July					-8	313,725	2,480,225
August	-266	-133			-309	199,840	2,369,986
September	-1,897	-18,271			-24,529	69,075	2,276,382
October	-4,358	-4,359			-8,717	66,279	2,201,387
November	-5,251	-9,315			-14,566	104,539	2,082,281
December		-11,452			-11,452	8,688	2,062,141
1944—January						14,492	2,047,649
February						9,912	2,037,738
March						2,413	2,035,324
April						3,320	2,032,004
May						3,781	2,028,223
June						2,977	2,025,246

NOTE.—Figures are rounded to nearest dollar and will not necessarily add to totals. Negative figures reflect stamps returned by issuing offices. The stamp program insofar as the issuance of stamps is concerned was discontinued Mar. 1, 1943. Redemption of stamps outstanding is still going on although in small quantities. After the cessation of the program, stamps in the possession of issuing agencies were returned, refund being made for the stamps for which payment had been received. The Comptroller General of the United States, the Administrator of the War Food Administration, and the Secretary of the Treasury agreed on a proposal for a joint inventory by representatives of each office and the destruction under the supervision of such representatives of the stock of unissued stamps. The apparently large value of outstanding stamps will be reduced considerably when stamps now in possession of the War Food Administration, which were issued for investigation purposes, are audited and destroyed.

<sup>1</sup> For details as to operation of this program see annual report for 1941, pp. 97 and 98.

<sup>2</sup> Includes stamps issued for investigations.

<sup>3</sup> Includes stamps canceled but not redeemed.

## BUDGET ESTIMATES

TABLE 111.—Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946

[On basis of 1946 Budget document]

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>RECEIPTS</b>			
<b>1. Internal revenue:</b>			
(1) Income and excess profits taxes:			
Corporation:			
Current taxes:			
Income.....	\$4,423,800,000	\$4,561,400,000	\$4,762,714,420.81
Excess profits.....	9,889,100,000	10,630,900,000	8,479,378,755.85
Declared value excess profits.....	112,600,000	123,500,000	109,901,093.34
Adjustment to daily Treasury statement basis <sup>2</sup> .....			+108,900,000.00
Total current corporation.....	14,425,500,000	15,315,800,000	13,460,894,270.00
Back taxes:			
Income.....	400,200,000	429,900,000	521,431,431.50
Excess profits.....	1,058,400,000	892,800,000	865,819,537.18
Declared value excess profits.....	29,000,000	31,600,000	27,117,514.54
Unjust enrichment.....	100,000	100,000	433,725.98
Total back corporation.....	1,487,700,000	1,354,400,000	1,414,802,267.20
Total corporation.....	15,913,200,000	16,670,200,000	14,875,696,477.20
Individual:			
Current taxes:			
Income tax withheld:			
Collections by Bureau of Internal Revenue.....	8,659,000,000	10,127,500,000	7,823,434,977.46
Adjustment to daily Treasury statement basis <sup>3</sup> .....	-416,000,000	-157,400,000	+1,354,348,776.97
Total income tax withheld.....	8,243,000,000	9,970,100,000	9,177,783,754.43
Income tax not withheld:			
Collections by Bureau of Internal Revenue.....	6,734,000,000	8,162,800,000	10,253,830,890.91
Adjustment to daily Treasury statement basis <sup>2</sup> .....		+121,500,000	+163,801,187.01
Total income tax not withheld.....	6,734,000,000	8,284,300,000	10,417,632,077.92
Total current individual.....	14,977,000,000	18,254,400,000	19,595,415,832.35
Back taxes.....	132,000,000	131,200,000	183,739,542.62
Total individual.....	15,109,000,000	18,385,600,000	19,779,155,374.97
Total income and excess profits taxes.....	31,022,200,000	35,055,800,000	34,654,851,852.17
(2) Miscellaneous internal revenue:			
Capital stock tax.....	350,000,000	372,500,000	380,702,005.85
Estate tax.....	487,000,000	474,600,000	473,465,605.12
Gift tax.....	35,700,000	39,900,000	37,744,731.75
Liquor taxes:			
Distilled spirits (domestic and imported) (excise tax) <sup>4</sup> .....	1,336,500,000	1,258,700,000	898,706,321.35
Fermented malt liquors <sup>4</sup> .....	600,200,000	634,200,000	559,151,627.85
Rectification tax <sup>4</sup> .....	24,500,000	30,200,000	18,874,168.27
Wines (domestic and imported) (excise tax) <sup>4</sup> .....	40,000,000	38,600,000	34,095,341.23
Special taxes in connection with liquor occupations.....	10,700,000	10,200,000	11,484,229.62
Container stamps.....	10,400,000	10,000,000	8,515,931.44
Floor stocks taxes.....	400,000	80,400,000	85,834,272.82
All other.....	1,100,000	1,200,000	1,371,259.43
Total liquor taxes.....	2,023,800,000	2,063,500,000	1,618,033,152.01

Footnotes at end of table.

TABLE 111.—*Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued*

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>RECEIPTS—Continued</b>			
<b>1. Internal revenue—Continued.</b>			
<b>(2) Miscellaneous internal revenue—Con.</b>			
Tobacco taxes:			
Cigarettes (small) <sup>4</sup>	\$787,600,000	\$829,500,000	\$903,957,882.53
Tobacco (chewing and smoking) <sup>4</sup>	49,500,000	48,300,000	45,269,250.33
Cigars (large) <sup>4</sup>	40,500,000	34,700,000	30,152,076.91
Snuff	7,100,000	7,300,000	7,692,236.61
Cigarette papers and tubes	1,200,000	1,200,000	1,164,377.58
All other <sup>4</sup>	180,000	240,000	197,452.70
Total tobacco taxes	886,080,000	921,240,000	988,433,276.66
Stamp taxes:			
Issues of securities, bond transfers and deeds of conveyance	30,800,000	30,800,000	26,243,240.34
Stock transfers	21,000,000	24,200,000	17,096,097.89
Playing cards <sup>4</sup>	7,300,000	7,700,000	7,413,576.66
Silver bullion sales or transfers	50,000	50,000	46,772.38
Total stamp taxes	59,150,000	62,750,000	50,799,687.27
Manufacturers' excise taxes	997,400,000	800,200,000	502,693,895.92
Retailers' excise taxes:			
Jewelry, etc.	161,000,000	177,000,000	113,372,750.85
Furs	95,400,000	91,500,000	58,725,694.05
Toilet preparations	70,700,000	80,400,000	44,790,353.37
Luggage, handbags, wallets, etc.	65,100,000	71,100,000	8,343,466.19
Total retailers' excise taxes	392,200,000	420,000,000	225,232,264.46
Miscellaneous taxes:			
Telephone, telegraph, radio and cable facilities, leased wires, etc.	168,700,000	193,700,000	141,275,266.52
Local telephone service	125,600,000	128,200,000	90,198,986.83
Transportation of oil by pipe line	16,500,000	16,500,000	15,850,856.83
Transportation of persons	238,300,000	237,900,000	153,682,607.58
Transportation of property	190,800,000	222,100,000	215,487,851.87
Admissions, exclusive of cabarets, roof gardens, etc.	257,700,000	292,900,000	178,562,694.14
Cabarets, roof gardens, etc.	46,500,000	54,700,000	26,726,331.47
Club dues and initiation fees	11,500,000	11,900,000	9,181,516.71
Leases of safe deposit boxes	6,600,000	6,900,000	6,593,674.78
Use of motor vehicles and boats	123,500,000	128,400,000	134,677,200.77
Coconut and other vegetable oils processed <sup>4</sup>	6,200,000	6,700,000	7,190,234.32
Oleomargarine, etc., including special taxes and adulterated butter	4,200,000	4,500,000	4,101,591.77
Sugar tax	69,900,000	69,000,000	68,788,910.31
Coin-operated amusement and gaming devices	17,700,000	17,700,000	18,475,491.99
Bowling alleys, and billiard and pool tables	4,100,000	4,100,000	2,208,422.24
All other, including repealed taxes <sup>5</sup>	800,000	1,100,000	3,229,258.54
Total miscellaneous taxes	1,288,600,000	1,396,300,000	1,076,230,896.67
Total miscellaneous internal revenue (collection basis)	\$ 6,519,930,000	\$ 6,550,990,000	5,353,335,515.71
Adjustment to daily Treasury statement basis <sup>2</sup>			—62,296,456.40
Total miscellaneous internal revenue (daily Treasury statement basis)	\$ 6,519,930,000	\$ 6,550,990,000	5,291,039,059.31

Footnotes at end of table.



TABLE 111.—*Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—*  
Continued

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>RECEIPTS—Continued</b>			
<b>1. Internal revenue—Continued.</b>			
(3) Employment taxes:			
Taxes on employment by other than carriers:			
Federal Insurance Contributions Act.....	\$1,629,700,000	\$1,322,600,000	\$1,292,122,433.67
Federal Unemployment Tax Act.....	182,800,000	190,700,000	179,909,392.52
Total.....	1,812,500,000	1,513,300,000	1,472,031,826.19
Taxes on carriers and their employees (Ch. 9, Subch. B of the Internal Revenue Code).....	243,400,000	280,500,000	267,064,592.60
Total employment taxes.....	2,055,900,000	1,793,800,000	1,739,096,418.79
Total internal revenue.....	39,598,030,000	43,400,590,000	41,684,987,330.27
<b>2. Railroad unemployment insurance contributions.....</b>			
	11,000,000	13,000,000	12,143,004.53
<b>3. Customs.....</b>			
	326,300,000	326,100,000	431,252,168.24
<b>4. Miscellaneous receipts:</b>			
(1) Miscellaneous taxes:			
General accounts:			
Immigration head tax.....	250,000	250,000	292,634.00
Tonnage tax.....	1,640,000	1,640,000	1,629,099.90
Taxes, Canal Zone.....	120,000	120,000	123,255.92
Special accounts:			
Federal intermediate credit banks franchise tax.....	150,000	231,000	122,323.37
Taxes on firearms, shells and cartridges, sec. 3407, Internal Revenue Code.....	1,100,000	1,100,000	1,061,044.95
Total, miscellaneous taxes.....	3,260,000	3,341,000	3,228,358.14
(2) Assessments:			
General accounts:			
Overtime service, Federal Communications Commission.....	3,500	2,500	3,688.65
Overtime service, marine inspection and navigation.....	100,000	100,000	89,762.14
Special accounts:			
Assessments, examination costs, and supervisory services for banks and corporations, Farm Credit Administration, act July 22, 1942 (56 Stat. 700).....	2,706,000	3,174,000	2,421,192.47
Assessments upon Federal home loan banks and receipts from other sources for administrative expenses, Federal Home Loan Bank Board.....			238,640.12
Revenues, Colorado River Dam fund, All-American Canal, act Dec. 21, 1928 (45 Stat. 1057).....	3,000	3,000	2,883.96
Revenues, Colorado River Dam fund, Boulder Canyon project, act Dec. 21, 1928 (45 Stat. 1057).....	7,202,500	7,202,500	6,902,406.77
Total, assessments.....	10,015,000	10,482,000	9,181,293.87
(3) Fees:			
General accounts:			
Admission fees.....	2,800	2,800	67,148.89
Admission of attorneys to practice before executive departments and establishments.....	4,000	4,000	3,200.00
Agricultural Commodities Act.....	230,000	230,000	197,526.45
Alaska Road Commission.....			1,184.70
Canal Zone.....	5,000	5,000	5,507.00
Clerks, United States courts.....	600,000	600,000	643,499.40
Commissions on telephone pay stations in Federal buildings.....	1,628,000	2,177,000	2,014,498.33
Consular and passport.....	3,441,000	2,426,000	1,763,911.63

Footnotes at end of table.

TABLE 111.—*Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued*

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>RECEIPTS—Continued</b>			
<b>4. Miscellaneous receipts—Continued.</b>			
(3) Fees—Continued.			
General accounts—Continued.			
Copying.....	\$89,000	\$90,000	\$93,031.69
Copyright.....	325,000	325,000	325,215.40
Court of Claims.....	6,000	5,000	3,442.45
Certifying railroad tariffs.....	3,000	3,000	3,049.90
Court of Customs and Patent Appeals.....	4,500	4,500	4,390.20
Customs.....	26,000	26,000	26,351.06
Fees and other charges, financing war contracts.....	1,000,000	1,000,000	1,213,568.00
Fees, sale of timber (Indians).....	160,000	160,000	150,068.82
Federal Firearms Act.....	17,000	17,000	16,877.18
Filing fees, Trust Indenture Act of 1939, Securities and Exchange Commission.....	2,000	2,000	1,737.06
Food, Drug, and Cosmetic Act, fees, secs. 506 (b) and 706.....	65,000	65,000	65,343.95
Inspection of tobacco.....	3,200	3,200	2,596.64
Immigration, registration (earned).....	120,000	175,000	190,946.00
Immigration fees, cancellation of deportation proceedings.....	50,000	75,000	73,638.00
Inspection and grading of farm products.....	65,000	65,000	66,304.34
Marshals, United States courts.....	112,000	112,000	97,669.62
Migratory-bird hunting stamps.....	1,000,000	1,000,000	1,205,671.00
Naturalization (earned).....	1,200,000	1,250,000	1,735,152.50
Naval stores grading.....	2,500	2,500	1,778.47
Navigation.....	188,000	188,000	188,560.16
Patent (earned).....	3,800,000	3,800,000	3,450,656.20
Registration, securities and exchanges.....	488,000	488,000	400,425.99
Registration under Neutrality Act.....	37,000	14,800	15,900.00
Services performed for Indians.....	150,000	150,000	134,804.43
Testing.....	265,000	227,000	144,867.94
Testing fees, enforcement of Tea Importation Act.....	14,000	14,000	14,234.06
The Tax Court of the United States.....	38,000	38,000	38,037.76
Vending machines.....	18,000	17,000	20,626.40
Warehouse Act.....	10,000	10,000	9,947.00
Other.....	4,400	4,400	3,214.44
Special accounts:			
Fees and commissions, land offices, act June 17, 1902 (32 Stat. 388).....	50,000	50,000	43,523.87
Total, fees.....	15,223,400	14,826,200	14,438,106.93
(4) Fines and penalties:			
General accounts:			
Antinarcotic laws.....	9,000	9,000	9,678.40
Antitrust laws.....	300,000	300,000	571,122.63
Canal Zone.....	50,900	50,000	68,885.25
Customs Service.....	231,000	231,000	230,842.42
Emergency price control and Second War Powers Act.....	300,000	300,000	261,440.53
Enforcement of National Prohibition Act.....	8,700	11,200	15,050.12
Immigration and Naturalization Service.....	202,500	152,500	137,842.08
Internal revenue.....	5,000	5,000	4,706.07
Interstate Commerce Act.....	75,000	75,000	166,916.99
Liquidated damages.....	116,000	116,000	116,553.36
Navigation.....	31,000	31,000	31,700.00
Penalties, cotton marketing quotas, Agricultural Adjustment Act of 1938.....	250,000	250,000	932,234.04
Penalties, peanut marketing quotas, Agricultural Adjustment Act of 1938.....	10,000	60,000	30,056.46
Penalties, tobacco marketing quotas, Agricultural Adjustment Act of 1938.....	550,000	400,000	215,610.93

Footnotes at end of table.

TABLE 111.—Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>RECEIPTS—Continued</b>			
<b>4. Miscellaneous receipts—Continued.</b>			
(4) Fines and penalties—Continued.			
General accounts—Continued.			
Penalties, wheat marketing quotas, Agricultural Adjustment Act of 1938.....	\$1, 100, 000	\$5, 000, 000	\$6, 562, 269. 46
Public Health Service.....	500	500	325. 00
Public lands and reservations.....	6, 000	6, 000	8, 331. 66
Treble damages: Emergency Price Control Act.....	7, 000, 000	10, 000, 000	8, 714, 948. 21
Violations, air-traffic regulations.....	15, 000	12, 000	10, 487. 50
Violating regulations and 8-hour law of 1912.....	1, 064, 000	1, 064, 000	957, 520. 78
Violations, Federal Alcohol Admin- istration Act.....	1, 700, 000	1, 700, 000	1, 746, 393. 62
Violations, Fair Labor Standards Act of 1938.....	75, 000	75, 000	71, 731. 08
Violations, Public Contracts Act.....	400, 000	400, 000	404, 240. 56
Other.....	1, 320, 000	1, 345, 000	1, 352, 874. 70
Total, fines and penalties.....	14, 818, 700	21, 593, 200	22, 622, 761. 77
(5) Forfeitures:			
General accounts:			
Bonds of aliens, contractors, etc.....	455, 000	457, 000	509, 576. 20
Bonds under Narcotic Act.....	6, 700	6, 700	5, 851. 42
Bonds under National Prohibition Act.....	128, 000	128, 000	141, 075. 97
Bribes to United States officers.....	11, 000	11, 000	b 9, 348. 44
Excess proceeds of withheld Vet- erans' Administration foreign checks.....	1, 500, 000	1, 850, 000	2, 299, 681. 51
Customs Service.....	413, 000	413, 000	413, 024. 48
Effects of deserters and enlisted men.....	2, 000	2, 000	2, 803. 98
Unclaimed funds and abandoned personal property.....	12, 000	32, 000	36, 090. 88
Unclaimed and abandoned mer- chandise.....	179, 000	179, 000	178, 475. 40
Unclaimed moneys and wages re- maining in registry of courts.....	109, 000	109, 000	114, 289. 60
Unexplained balances in cash ac- counts.....	30, 000	30, 000	33, 105. 63
Other.....	3, 133, 000	5, 633, 000	200, 678. 21
Special accounts:			
Bonds of aliens (U. S. securities).....	5, 000	5, 000	2, 650. 00
Total, forfeitures.....	5, 983, 700	8, 855, 700	3, 927, 954. 84
(6) Gifts and contributions:			
General accounts:			
Deposits of funds belonging to mil- itary organizations of the Army disbanded at close of World War I.....			1, 184. 53
Donations to the United States.....	1, 335, 000	1, 635, 000	s b 23, 027, 913. 84
Donations to the United States for war activities.....	51, 000	152, 000	151, 903. 63
Moneys received from persons known.....	15, 000	15, 000	a 53, 380. 55
Moneys received from persons un- known.....	27, 000	27, 000	31, 402. 90
Residue of funds of quasi-govern- mental organizations.....	50, 000	50, 000	1, 417, 784. 96
Return of grants, Farm Security Administration.....	25, 000	70, 000	392, 544. 00
Return of mileage paid to Members of Congress.....			938. 00
Special accounts:			
Deposits, war contributions, act Mar. 27, 1942.....	600, 000	1, 220, 000	1, 303, 449. 42
Total, gifts and contributions.....	2, 103, 000	3, 169, 000	a 19, 782, 086. 95

Footnotes at end of table.

TABLE 111.—*Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued*

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>RECEIPTS—Continued</b>			
<b>4. Miscellaneous receipts—Continued.</b>			
(7) Interest, exchange, and dividends:			
General accounts:			
Dividends on shares of Federal savings and loan associations	\$81,000	\$110,000	\$234,512.98
Earnings from payments to Federal Reserve Banks for industrial loans	150,000	150,000	245,236.85
Earnings of War Finance Corporation			1,579.01
Federal control of transportation systems (repayments to appropriations)	5,000	5,000	12,795.00
Gain by exchange	3,535,000	4,534,000	173,944.87
Interest earned on Commodity Credit Corporation securities	25,750,000	14,000,000	8,067,009.07
Interest collections of Farm Security Administration		1,000	6,497.51
Interest earned on Home Owners' Loan Corporation bonds	8,500,000	4,850,000	1,384,667.96
Interest earned on Tennessee Valley Authority securities	571,000	571,000	570,790.62
Interest earned on United States Housing Authority notes	4,000,000	4,000,000	2,827,182.32
Interest from Central Branch, Union Pacific Railroad	5,000	5,000	6,947.20
Interest on advances to Colorado River Dam fund, Boulder Canyon project	5,000,000	5,000,000	5,000,000.00
Interest on construction costs of public works in Colon and Panama, War Department		20,000	36,698.23
Interest on advance payments to contractors	9,500,000	14,000,000	10,013,955.42
Interest on deferred collections or payments	4,230,000	4,330,000	4,738,469.12
Interest on emergency crop loans, Farm Credit Administration	25,000	50,000	83,362.64
Interest on emergency crop loans incident to removal of enemy aliens	1,000	16,000	42,604.16
Interest on farmers' seed and feed loans	150,000	225,000	449,107.81
Interest on loan to District of Columbia for blackout expenses		8,500	1,731.15
Interest on loans for Indian rehabilitation	1,500	3,500	1,547.44
Interest on funded obligations of foreign governments held by the United States under refunding agreements	317,000	304,000	291,007.07
Interest on homestead loans, Virgin Islands			967.77
Interest on Government-owned securities	90,000	90,000	96,387.75
Interest on long-term notes, National Capital Housing Authority			302.22
Interest on loans, Puerto Rico Reconstruction Administration	20,000	23,000	13,816.02
Interest on loans, relief in stricken agricultural areas	1,000,000	1,125,000	1,507,164.63
Interest on loans, Rural Electrification Administration	9,200	7,300	7,461.54
Interest on loans to States, municipalities, etc., Federal Works Agency	1,830,000	1,475,000	1,378,156.62
Interest on public deposits	127,000	157,000	49,375.50
Loans to railroads after termination of Federal control (repayments to appropriations)	75,000	75,000	423,891.03
Interest and premiums on obligations of Reconstruction Finance Corporation	98,000,000	85,000,000	54,489,475.11
Military and naval insurance, Veterans Administration, premiums on term insurance (repayments to appropriations)	600,000	600,000	613,514.03

Footnotes at end of table.

TABLE 111.—*Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued*

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>RECEIPTS—Continued</b>			
<b>4. Miscellaneous receipts—Continued.</b>			
(7) Interest, exchange, and dividends—Con.			
General accounts—Continued.			
Interest on securities received from Reconstruction Finance Corporation.....	\$1,000	\$1,000	\$1,110.00
Interest and profits on Federal Farm Mortgage Corporation bonds.....	700,000	2,300,000	467,060.44
Other.....	700	1,200	2,038.01
Special account:			
Interest and profits on investments, Pershing Hall Memorial fund.....	5,000	5,000	7,673.10
Total, interest, exchange, and dividends.....	164,279,400	143,042,500	93,248,040.20
(8) Mint receipts:			
General accounts:			
Profits on coinage, bullion, deposits, etc.....	5,304,000	30,344,000	62,072,139.02
Seigniorage.....	68,000,000	55,000,000	43,068,999.80
Total, mint receipts.....	73,304,000	85,344,000	105,141,138.82
(9) Permits, privileges, and licenses:			
General accounts:			
Alaska fund.....	200,000	200,000	188,113.01
Business concessions.....	608,700	795,200	947,746.04
Immigration reentry permits (earned).....	30,000	30,000	29,228.96
Licenses under Federal Power Act.....	161,000	161,000	161,930.01
Permits to enter national parks.....	500,000	460,000	363,100.49
Permits, fishing and hunting.....	29,000	29,000	23,937.39
Power permits.....	18,000	18,000	18,733.10
Revenues, Washington National Airport.....	600,000	500,000	478,331.52
Rights-of-way on and occupancy of public lands and reservations.....	40,000	40,000	40,591.40
Other.....	500	500	541.44
Special accounts:			
Licenses under Federal Power Act.....	217,000	215,000	216,268.65
Receipts under Grazing Act, June 28, 1934.....	550,000	550,000	492,658.35
Revenues, Indian Arts and Crafts Board.....	100	100	39.50
Revenues, purchase of lands and other property, Mammoth Cave National Park.....	15,000	15,000	<sup>b</sup> 26,012.74
Total, permits, privileges, and licenses.....	2,969,300	3,013,800	2,935,207.12
(10) Reimbursements:			
General accounts:			
Auditing accounts of American Red Cross.....	18,000	18,000	17,971.83
Bankruptcy Act, Interstate Commerce Commission.....	17,000	17,000	23,927.27
By States for emergency conservation work, profits on sales of lands or its products.....			4,402.19
Cable and radio messages.....	20,000	20,000	20,121.25
Collections under Cotton Standards Act.....	130,000	130,000	132,293.11
Collections under Grain Standards Act.....	62,000	62,000	62,007.57
Compensation received by Federal employees from private sources.....		300	105.60
Construction charges (Indian Service).....	21,000	24,000	32,969.08
Cost of administration, Federal Power Act.....	707,000	643,000	573,632.50
Costs from estates of deceased Indians.....	50,000	49,000	48,931.17

Footnotes at end of table.

TABLE 111.—*Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—*  
Continued

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>RECEIPTS—Continued</b>			
<b>4. Miscellaneous receipts—Continued.</b>			
(10) Reimbursements—Continued.			
General accounts—Continued.			
Court costs.....	\$110,000	\$110,000	\$110,823.62
By District of Columbia for advances for acquisition of lands under sec. 4, act May 29, 1930, as amended.....	122,000	1,733,000	1,000,000.00
By District of Columbia for share of expenses of U. S. District Courts and Court of Appeals.....	730,000	750,000	605,921.69
Defense aid:			
Agricultural, industrial, and other commodities.....	500,000	3,000,000	292.71
Aircraft and aeronautical material.....	10,000,000	35,000,000	63,929,697.64
Miscellaneous military equipment.....	3,000,000	10,000,000	14,561,851.02
Ordnance and ordnance stores.....	15,000,000	50,000,000	42,558,016.84
Services and expenses.....	50,000	1,000,000	97,778.75
Tanks and other vehicles.....	8,000,000	25,000,000	4,052,896.45
Vessels and other watercraft.....	5,000	10,000	10,916.80
Maintenance of District of Columbia inmates in Federal penal and correctional institutions.....	200,000	200,000	234,537.66
Expenses, miscellaneous.....	501,000	453,000	402,636.27
Expenses for bringing home interned American citizens.....	225,000	225,000	225,490.36
Excess cost over contract price.....	18,067,000	27,069,000	27,884,242.67
Excess premium for increased production of strategic materials.....	175,000	200,000	119,146.96
Excessive profits on renegotiated contracts.....	952,000,000	1,685,000,000	<sup>18</sup> 2,235,383,011.57
Excess witness fees.....	100	100	331.81
Government property lost or damaged.....	15,832,000	15,860,000	17,664,839.38
Government property lost or damaged, National Guard.....	1,000	1,000	12,765.11
Hospitalization charges and expenses.....	345,000	345,000	329,912.12
Inspection of perishable food and farm products.....	401,000	401,000	396,031.25
Jury service.....	25,000	26,000	32,821.34
Loss of continuous discharge books, etc., Marine Inspection and Navigation.....	7,500	7,500	9,317.52
Maintenance and irrigation charges, irrigation systems, Indian Service			
Of appropriations made for Indian tribes.....	275,000	245,000	283,933.13
Refund on royalties.....	10,000,000	15,000,000	4,743,034.07
Refund on enlistment allowances and clothing bounties.....	300	300	2,039.39
Refund, State and local taxes.....	402,000	402,000	675,193.17
Refund on empty containers.....	2,216,000	3,215,000	2,515,441.90
Reimbursement for expenses, American Mexican Claims Commission.....	100,000	150,000	316,349.43
Revenues, power system, Flathead Reservation, Mont.....	175,000	175,000	179,697.60
Reimbursements from Federal Reserve Banks:			
Contingent expenses, fiscal year 1943.....	2,000	1,500	868.09
Salaries, fiscal year 1943.....	85,000	74,000	64,013.83
Repairs of Rock Island Bridge, Rock Island, Ill.....	19,000	32,000	19,259.78
Salaries (unauthorized services).....	500	2,500	17,669.50
Services and expenses, reverse lease.....	350,000	350,000	2,945.60
Settlement of claims against various depositors.....	50,000	50,000	58,049.02
Surplus postal revenues.....	142,000,000	112,000,000	1,000,000.00
Transportation.....	6,801,000	5,177,000	4,567,087.23
Other.....	16,000,000	34,115,000	169,612,594.70

Footnotes at end of table.

TABLE 111.—Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>RECEIPTS—Continued</b>			
<b>4. Miscellaneous receipts—Continued.</b>			
(10) Reimbursements—Continued.			
Special accounts:			
Collections, reclamation fund.....	\$13,800,000	\$10,300,000	\$10,208,555.21
Reimbursements, defense aid:			
Agricultural, industrial, and			
other commodities.....	37,000,000	48,000,000	61,440,226.33
Aircraft and aeronautical mater-			
ial.....	8,500	10,000	11,909.30
Tanks and other vehicles.....	125,000	150,000	<sup>10</sup> b 200,240.70
Vessels and other watercraft.....	6,000	7,500	<sup>10</sup> b 10,916.80
Total, reimbursements.....	1,256,574,460	2,087,647,700	2,666,872,376.97
(11) Rents and royalties:			
General accounts:			
Ground rent.....	4,300	4,300	5,150.99
Pipe-line rentals.....	15,000	15,000	15,000.00
Receipts from potash deposits, roy-			
alties, and rentals.....	60,000	60,000	53,498.39
Receipts under mineral leasing acts.....	1,200,000	1,200,000	1,014,913.31
Receipts for range improvements.....	275,000	275,000	246,329.11
Receipts from use and occupancy of			
agricultural labor supply centers,			
camps, and facilities.....	482,000	964,000	449,564.93
Rent of docks, wharves, and piers.....	355,000	355,000	447,699.12
Rent of equipment.....	36,086,000	36,087,000	37,536,663.36
Rent of camp and house sites.....	2,800	2,700	23,208.77
Rent on low-cost housing projects.....	50,000	50,000	60,307.74
Rent of land.....	885,000	892,000	1,115,256.76
Rent of public buildings, grounds,			
etc.....	3,794,000	3,803,000	4,032,314.05
Rent of telegraph and telephone			
facilities.....	24,000	24,000	24,685.77
Rent of water-power sites.....	158,000	158,000	158,546.94
Rentals of tenant farms, Puerto			
Rico Reconstruction Administra-	80,000	85,000	81,948.35
tion.....			
Rental or operation of property, de-			
fense housing.....	2,358,000	2,358,000	12,209,269.49
Royalties on coal leases in Alaska.....	15,000	15,000	17,647.00
Royalties on machines financed by			
the Defense Plant Corporation.....			102,586.64
Royalties, naval petroleum reserves,			
California.....	500,000	500,000	228,243.44
Royalties on oil, gas, etc.....	3,403,000	3,703,000	219,538.28
Royalties from oil, gas, sulphur, or			
other minerals, national wildlife			
refuges.....	10,000	10,000	18,223.99
Other.....	1,880,000	1,930,000	1,369,490.63
Special accounts:			
Deposits, rents, national defense			
housing projects (emergency fund			
for the President):			
Navy.....	6,840,000	6,840,000	<sup>11</sup> b 1,495,893.43
War.....	20,000	20,000	<sup>b</sup> 9,471.81
Potash deposits, royalties and rent-			
als, act of Oct. 2, 1917.....	45,000	45,000	44,948.57
Receipts from leases of flood control			
lands.....	260,000	260,000	169,077.58
Receipts under mineral leasing acts.....	10,800,000	10,800,000	9,134,219.77
Receipts from potash deposits, roy-			
alties and rentals.....	540,000	540,000	481,485.67
Total, rents and royalties.....	70,142,100	70,996,000	67,754,453.41
(12) Sales of Government products:			
General accounts:			
Agricultural products, including			
livestock and livestock products.....	376,000	383,000	410,234.23
Card indexes, Library of Congress.....	315,000	315,000	318,516.02
Dairy products.....	111,000	111,000	101,524.77
Electric current, power plant,			
Coolidge Dam, Ariz.....	320,000	300,000	323,220.57

Footnotes at end of table.

TABLE 111.—*Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued*

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>RECEIPTS—Continued</b>			
<b>4. Miscellaneous receipts—Continued.</b>			
(12) Sales of Government products—Con.			
General accounts—Continued.			
Electric current, Colorado River irrigation project, Arizona.....	\$60,000	\$60,000	\$68,456.74
Electric current.....	195,000	196,000	172,974.08
Films.....	135,000	75,000	31,872.34
Heat, light, power, and water.....	117,000	117,000	110,051.37
Ice.....	250,000	250,000	171,426.67
Migratory Bird Conservation Act, receipts credited to the general fund.....	183,000	183,000	130,323.92
Occupational therapy products.....	84,000	79,000	64,536.47
Old, condemned, and surplus prop- erty, Navy Department.....	90,000	90,000	96,920.42
Photo duplications.....	33,000	33,000	36,175.42
Plans and specifications.....	2,000	2,000	3,207.31
Proceeds, activities fund, United States naval prisons.....	50,000	50,000	40,615.58
Products from development of guayule and other rubber-bearing plants.....	300,000	300,000	263,619.80
Public documents, charts, maps, etc.....	2,255,000	2,952,000	2,087,932.83
Public timber.....	38,000	65,000	100,663.19
Sale of gas from helium plants, net profits.....	40,000	40,000	40,000.00
Sale of crude oil and other petroleum products from Naval Petroleum Reserve No. 1 (Elk Hills).....	7,500,000	8,400,000	-----
Sale and transfer of Government property, Federal property utili- zation program.....	2,461,200	4,654,000	27,863,843.18
Sale and transmission of electric energy:			
Bonneville project, Oregon.....	(12)	(12)	7,787,509.44
Denison Dam project, Okla- homa-Texas.....	800,000	600,000	-----
Norfolk Dam project, Arkansas.....	600,000	458,000	-----
Scrap and salvaged materials, con- demned stores, waste paper, refuse, etc.....	91,345,000	81,965,000	51,731,982.72
Seal and fox skins and furs.....	745,000	645,000	754,750.95
Stores.....	846,000	1,126,000	1,391,056.91
Steam.....	136,500	136,500	137,729.40
Subsistence (meals, rations, etc.).....	465,600	561,900	644,074.21
Unserviceable Civilian Conserva- tion Corps property.....	-----	2,000	2,059.83
Water.....	236,000	236,000	168,724.79
Other.....	31,100,000	36,200,000	13 25,359,552.32
Special accounts:			
Deposits, sale and transmission of electric energy, Bonneville project, Oregon.....	23,987,000	22,287,000	9,665,813.90
Deposits, sale and transmission of electric energy, Fort Peck project, Montana.....	550,000	500,000	436,000.20
Deposits, sale of goods or commodi- ties, War Relocation Authority, act July 25, 1942 (56 Stat. 710).....	46,000	80,000	105,203.49
Proceeds, publication and sale of Victory Magazine, Office of War Information.....	400	800	1,707.14
Receipts from production and sale of helium, etc., Bureau of Mines.....	90,000	90,000	89,476.94
Receipts under Migratory Bird Conservation Act.....	65,000	61,000	120,907.89
Sale of water, sec. 40 (d), Mineral Leasing Act of 1920.....	300	300	446.55
Total, sales of Government prod- ucts.....	165,928,000	163,604,500	130,833,111.59

Footnotes at end of table.



TABLE 111.—*Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued*

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>RECEIPTS—Continued</b>			
<b>4. Miscellaneous receipts—Continued.</b>			
(13) Sales of services:			
General accounts:			
Copies of hearings.....	\$5, 000	\$5, 000	\$3, 448. 87
Earnings by United States trans- ports.....	700, 000	800, 000	750, 569. 94
Earnings from business operations..	1, 524, 000	1, 732, 000	1, 779, 012. 03
Fumigating and disinfecting.....	48, 000	50, 000	61, 959. 00
Laundry and dry-cleaning opera- tions.....	30, 013, 000	45, 013, 000	46, 171, 659. 35
Medical, dental, and hospital services.....	27, 600	32, 100	202, 555. 69
Livestock breeding service.....	1, 100	26, 100	675. 72
Overhead charges on sales of services or supplies (War and Navy De- partments).....	1, 750, 000	2, 400, 000	2, 595, 275. 84
Professional and scientific.....	700	700	656. 47
Quarantine charges (fumigation, disinfection, inspection, etc., of vessels).....	91, 500	91, 500	90, 384. 77
Quarters, subsistence, and laundry service.....	1, 638, 000	2, 638, 000	1, 275, 850. 89
Radio service.....	150, 000	150, 000	149, 641. 62
Services of civilian internees and prisoners of war.....	5, 000, 000	16, 000, 000	4, 764, 030. 79
Services of conscientious objectors..			988. 70
Storage and other charges.....	94, 700	94, 700	87, 265. 29
Telephone and telegraph.....	429, 000	680, 000	666, 825. 10
Tolls, Panama Canal.....	5, 000, 000	5, 000, 000	5, 922, 967. 70
Transportation service.....	14, 301, 000	7, 926, 500	2, 245, 207. 72
Work done for individuals or cor- porations.....	704, 000	1, 129, 000	1, 573, 970. 53
Other.....	1, 004, 000	1, 506, 000	2, 122, 680. 72
Special accounts:			
Alaska Railroad fund receipts.....	5, 850, 000	5, 850, 000	12, 869, 776. 44
Collections for laundry service, Naval Academy.....	300, 000	330, 000	335, 140. 17
Total, sales of services.....	68, 631, 600	91, 454, 600	83, 670, 543. 35
(14) Sundry receipts:			
General accounts:			
Forest reserve fund.....	10, 414, 000	10, 207, 000	6, 834, 258. 25
Postal receipts, Panama Canal.....			671. 79
Special accounts:			
Deposits, postal funds, Canal Zone. Forest reserve fund.....	458, 000	458, 000	723, 079. 90
Forest reserve fund.....		340, 000	5, 595, 399. 12
Forest reserve fund, roads and trails for States (10 percent).....	1, 557, 000	1, 557, 000	1, 043, 548. 06
Forest reserve fund, payments to States (25 percent).....	3, 894, 000	3, 894, 000	2, 608, 870. 16
Receipts for acquisition of lands.....			405, 881. 77
Total, sundry receipts.....	16, 323, 000	16, 456, 000	16, 399, 945. 51
(15) United States revenues from District of Columbia sources.....			12, 808. 64
(16) Deposits for Defense Aid:			
Special account:			
Deposits for Defense Aid, sec. 6 (b), act Mar. 11, 1941.....	15, 000, 000	25, 000, 000	33, 086, 470. 36
(17) Repayments of investments:			
General accounts:			
Amortization payments from rents, national defense housing (emer- gency fund for the President) War Collections, insured loans, Federal Housing Administration.....	20, 000	20, 000	18, 836. 34
Construction costs of public works in Colon and Panama.....	750, 000	1, 000, 000	2, 073, 622. 99
Excess proceeds of sale of cotton ac- quired by Secretary of Agriculture, act of June 19, 1934.....		28, 000	56, 378. 80
			5. 50

Footnotes at end of table.

TABLE 111.—*Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued*

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>RECEIPTS—Continued</b>			
<b>4. Miscellaneous receipts—Continued.</b>			
(17) Repayments of Investments—Continued.			
General accounts—Continued.			
Loans to railroads after termination of Federal control, etc.	\$100,000	\$120,000	\$910,200.65
Principal on securities received from Reconstruction Finance Corporation under act Feb. 24, 1938.	7,000	40,000	40,000.00
Principal payments on loans, Puerto Rican Hurricane Relief Commission	122,000	128,700	152,374.53
Principal payments on low-cost houses, Virgin Islands.	600	600	1,654.54
Principal of bonds of foreign governments under funding agreements: Finland	107,000	99,000	91,353.05
Principal on loan to District of Columbia for black-out expenses.		901,000	998,268.85
Proceeds from submarginal land program, Farm Tenant Act (75 percent)	382,500	731,000	225,791.44
Repayment of principal on account of loans to individuals and community enterprises, War Relocation Authority			35,403.45
Repayment of principal on account of flood and windstorm loans.	800,000	530,000	63,154.53
Repayment of principal on loans for Indian rehabilitation	4,000	3,500	4,069.73
Repayment of principal on emergency crop loans, Farm Credit Administration.	75,000	225,000	222,454.16
Repayment of principal on account of loans, Rural Electrification Administration.	45,600	35,800	56,570.41
Repayment of principal on account of loans, Puerto Rico Reconstruction Administration.	60,000	60,000	35,147.40
Repayment of principal on account of loans, Farm Security Administration.		11,000	* 9,318.04
Repayment of principal on account of loans to States, municipalities, etc., defense public works.	125,000	110,000	29,740.46
Repayment of principal, long-term notes, National Capital Housing Authority.			4,248.00
Repayment of principal on emergency crop loans incident to removal of enemy aliens.	150,500	460,000	494,239.10
Return of advances, Eastern Massachusetts Street Railway	1,200	1,200	1,193.66
Return of relief moneys furnished American citizens in Territories and island possessions.			1,303.00
Sale of chattels, Farm Security Administration.			352.35
Repayment and recoveries, emergency relief, act Dec. 17, 1941, and July 12, 1943.	34,600	60,000	514,027.85
Repayment of subscriptions to preferred and income shares, Federal savings and loan associations	1,000,000	1,250,000	6,757,200.00
Repayment of principal on orchard rehabilitation loans.			1,000.00
Repayment of loans to students, Federal Security Agency.	328,000	328,000	117,285.22
Special accounts:			
Crop production loan funds, act Jan. 22, 1932.	1,208,000	1,692,000	2,671,516.12
Receipts from submarginal land program, Farm Tenant Act.	127,000	243,000	264,877.61

Footnotes at end of table.

TABLE 111.—Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>RECEIPTS—Continued</b>			
<b>4. Miscellaneous receipts—Continued.</b>			
(17) Repayments of investments—Continued.			
Special accounts—Continued.			
Repayment of principal on account of loans to States, municipalities, etc.....	\$3,000,000	\$2,000,000	\$4,602,600.99
Total, repayments of investments.....	8,447,900	10,077,800	20,435,552.69
(18) Sales of public lands:			
Special accounts:			
Sale of public land, reclamation fund (80 percent).....	80,000	80,000	99,319.99
(19) Sales of Government property:			
General accounts:			
Capital equipment (trucks, horses, cars, machinery, furniture and fixtures, and other capital equipment).....	19,268,000	16,994,000	10,257,021.25
Land and buildings.....	2,081,000	2,351,000	12,432,253.39
Lands, etc., on account of military post construction fund.....	10,000	10,000	10,094.31
Office material, etc.....			5,863.59
Ordnance material, War.....	3,200,000	3,000,000	3,680,978.18
Proceeds of Fort Hall irrigation and water system, Idaho.....	2,500	3,000	3,552.95
Proceeds of sales of vessels for the Coast Guard.....	10,000	10,000	13,759.44
Sale of town lots, Alaska.....			121.00
Standing timber, Alaska.....	3,000	3,000	3,132.29
Surplus war supplies.....	1,060,000,000	500,000,000	7,194,305.66
Special accounts:			
Coos Bay Wagon Road grant fund.....	24,000	24,000	25,949.88
Oregon and California land grant fund.....	1,600,000	1,600,000	1,768,159.15
Proceeds, operation of commissaries, Division of Mental Hygiene, Public Health Service.....	130,000	93,000	5,776.00
Proceeds of town sites, lots, Reclamation Service.....	10,000	10,000	11,658.11
Sale of reserve lands, reclamation projects.....			1,100.00
Total, sales of Government property.....	1,026,338,500	524,101,000	35,413,725.20
Total, miscellaneous receipts.....	2,919,422,000	3,283,085,000	3,289,519,082.45
Adjustment to daily Treasury statement basis.....			-9,459,557.49
Total, miscellaneous receipts.....	2,919,422,000	3,283,085,000	3,280,059,524.96
Total, receipts.....	42,854,752,000	47,022,775,000	45,408,442,028.00
Deduct:			
Net appropriation for Federal old-age and survivors insurance trust fund.....	1,599,880,000	1,293,000,000	1,259,515,059.93
Net receipts, general and special accounts.....	41,254,872,000	45,729,715,000	44,148,926,968.07
<b>EXPENDITURES</b>			
<b>War activities:</b>			
War Department:			
Military functions <sup>14</sup> .....	38,997,089,000	48,495,567,000	49,288,936,345.52
Civil functions (classified as war activities).....	1,811,000	1,433,000	1,372,246.22
Panama Canal.....	1,100,000	3,000,000	6,605,140.04
Total.....	39,000,000,000	48,500,000,000	49,296,913,731.78
Adjustment to daily Treasury statement basis.....			-48,110,512.62
Total, War Department.....	39,000,000,000	48,500,000,000	49,248,803,219.16

Footnotes at end of table.

TABLE 111.—*Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued*

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>EXPENDITURES—Continued</b>			
<b>War activities—Continued.</b>			
Navy Department <sup>14</sup> .....	\$22,000,000,000	\$27,900,000,000	\$26,784,932,066.12
Adjustment to daily Treasury statement basis.....			-247,298,188.86
Total, Navy Department.....	22,000,000,000	27,900,000,000	26,537,633,877.26
Executive Office of the President:			
Executive Office proper.....		109,000	73,539.62
Bureau of the Budget.....	455,000	827,000	861,630.82
National Resources Planning Board.....			11,816.41
President's Committee for Education of Men Demobilized from the Armed Forces.....			36.80
Committee for Congested Production Areas.....		250,000	338,338.18
War agencies <sup>14 15</sup> .....	2,516,359,000	2,572,211,700	2,757,105,728.88
Total.....	2,516,814,000	2,573,397,700	2,758,386,090.71
Adjustment to daily Treasury statement basis.....			-172,669,173.22
Total, Executive Office of the President.....	2,516,814,000	2,573,397,700	2,585,716,917.49
Emergency funds appropriated to the President.....	(16)	(16)	(16)
Independent offices:			
Civil Service Commission.....	7,000,000	11,000,000	12,981,423.83
Employees' Compensation Commission.....	25,000	325,000	237,736.75
Federal Communications Commission.....	2,501,000	4,159,000	5,777,956.77
Federal Power Commission.....	115,000	580,000	552,769.16
General Accounting Office.....			31,293.65
Interstate Commerce Commission.....	231,000	295,000	270,490.56
National Archives.....		1,300	5,285.05
National Capital Housing Authority.....	100,000	504,000	2,674,082.54
National Labor Relations Board.....	796,000	810,000	732,794.25
National Mediation Board.....			13,818.11
Office of War Mobilization and Recon- version <sup>14</sup> .....	28,800,000	1,391,000	110,289.95
Railroad Retirement Board.....			2,968.56
Securities and Exchange Commission.....			12.27
Selective Service System <sup>14</sup> .....	54,000,000	60,000,000	62,722,929.67
Smithsonian Institution.....			40,625.29
Tariff Commission.....			39,139.63
United States Maritime Commission.....	1,700,000,000	4,000,000,000	3,728,243,396.51
Veterans Administration.....			2,925,183.68
Total.....	1,793,568,000	4,079,065,300	3,811,352,299.03
Adjustment to daily Treasury statement basis.....			+89,717,075.75
Total, independent offices.....	1,793,568,000	4,079,065,300	3,901,069,374.78
Federal Security Agency:			
Office of Education.....	4,037,000	68,663,000	73,908,086.26
Public Health Service.....	73,000,000	74,060,000	58,074,722.95
Office of the Administrator:			
National Youth Administration.....		208,000	8,713,115.56
Other.....	1,000,000	2,316,000	2,393,340.41
Total.....	78,037,000	145,187,000	143,089,265.18
Adjustment to daily Treasury statement basis.....			-10,332,400.90
Total, Federal Security Agency.....	78,037,000	145,187,000	132,756,864.28
Federal Works Agency:			
Office of the Administrator.....	55,100,000	109,950,000	134,665,186.82
Public Buildings Administration.....		2,800,000	1,054,888.93
Public Roads Administration.....	51,000,000	101,242,000	106,107,588.28
Total.....	106,100,000	213,992,000	241,827,664.03
Adjustment to daily Treasury statement basis.....			-14,096,374.66
Total, Federal Works Agency.....	106,100,000	213,992,000	227,731,289.37

Footnotes at end of table.

TABLE 111.—*Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued*

General and special accounts	Estimated		Act 1, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>EXPENDITURES—Continued</b>			
<b>War activities—Continued.</b>			
National Housing Agency:			
Office of the Administrator.....		\$7, 214, 000	\$12, 796, 484. 79
Federal Home Loan Bank Administration.....		9, 733, 000	61, 257, 922. 66
Federal Public Housing Authority.....	<sup>a</sup> \$36, 690, 000	112, 458, 000	418, 813, 623. 86
Total.....	<sup>a</sup> 36, 690, 000	129, 405, 000	492, 868, 031. 31
Adjustment to daily Treasury statement basis.....			+ 45, 900, 672. 74
Total, National Housing Agency.....	<sup>a</sup> 36, 690, 000	129, 405, 000	538, 768, 704. 05
Department of Agriculture:			
Office of the Secretary.....		985, 000	1, 324, 415. 82
Defense aid (lend-lease).....	1, 200, 000, 000	1, 400, 000, 000	2, 042, 845, 472. 07
United Nations relief and rehabilitation.....	200, 000, 000	40, 000, 000	
Emergency rubber project.....	5, 200, 000	6, 000, 000	11, 595, 262. 61
War Food Administration:			
Salaries and expenses.....	5, 800, 000	18, 300, 000	13, 865, 942. 33
Supply and distribution of farm labor.....	20, 000, 000	30, 000, 000	20, 156, 362. 89
Food Production Administration:			
Farm Security Administration.....		138, 000	206, 973. 50
Food Distribution Administration:			
Emergency supplies for Territories and possessions (national defense).....	1, 000, 000	1, 000, 000	21, 582, 446. 84
Foreign war relief (national defense).....		3, 500, 000	1, 865, 011. 10
Miscellaneous.....			72, 902. 26
Total.....	1, 432, 000, 000	1, 499, 923, 000	2, 113, 514, 789. 42
Adjustment to daily Treasury statement basis.....			+ 29, 888, 999. 27
Total, Department of Agriculture.....	1, 432, 000, 000	1, 499, 923, 000	2, 143, 403, 788. 69
Department of Commerce:			
Office of the Secretary.....	80, 000	1, 914, 000	741, 786. 07
Loan agencies (Commerce).....		6, 030, 000	<sup>a</sup> 433, 328. 86
Office of Administrator of Civil Aeronautics.....	26, 662, 000	83, 831, 000	137, 805, 243. 10
Bureau of Foreign and Domestic Commerce.....			183, 900. 16
Total.....	26, 742, 000	91, 775, 000	138, 297, 600. 47
Adjustment to daily Treasury statement basis.....			- 5, 506, 407. 60
Total, Department of Commerce.....	26, 742, 000	91, 775, 000	132, 791, 192. 87
Department of the Interior:			
Office of the Secretary.....	100, 000	2, 399, 100	<sup>a</sup> 4, 879, 517. 61
Solid Fuels Administration for War.....	3, 475, 000	3, 650, 000	1, 976, 177. 37
War Relocation Authority.....	24, 500, 000	35, 868, 000	34, 451, 437. 50
Bureau of Indian Affairs.....	10, 000	215, 000	62, 870. 11
Bureau of Reclamation.....			557, 045. 19
Geological Survey.....	350, 000	700, 000	637, 962. 93
Bureau of Mines.....	10, 115, 000	14, 808, 000	18, 024, 102. 94
National Park Service.....			3, 506. 11
Fish and Wildlife Service.....			5, 290. 65
Government in the Territories.....	4, 555, 000	6, 770, 000	<sup>a</sup> 6, 164, 273. 49
Total.....	43, 105, 000	64, 410, 100	44, 674, 601. 70
Adjustment to daily Treasury statement basis.....			- 36, 828, 178. 09
Total, Department of the Interior.....	43, 105, 000	64, 410, 100	7, 846, 423. 61
Department of Justice:			
Legal activities and general administration.....	675, 000	750, 000	643, 147. 56
Federal Bureau of Investigation.....	26, 253, 000	36, 377, 000	41, 764, 893. 20
Immigration and Naturalization Service.....			402. 54
Total.....	26, 928, 000	37, 127, 000	42, 408, 443. 60
Adjustment to daily Treasury statement basis.....			+ 230, 347. 55
Total, Department of Justice.....	26, 928, 000	37, 127, 000	42, 638, 791. 15

Footnotes at end of table.

TABLE 111.—*Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued*

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>EXPENDITURES—Continued</b>			
<b>War activities—Continued.</b>			
Department of Labor:			
Office of the Secretary .....	\$2,004,000	\$2,069,000	\$1,997,534.49
Bureau of Labor Statistics .....	1,185,000	2,650,900	1,445,681.82
Children's Bureau .....	40,038,000	42,842,000	29,959,168.72
Women's Bureau .....	1,000	54,000	
Wage and Hour Division .....			° 11,432.42
Total .....	43,228,000	47,615,900	33,390,952.61
Adjustment to daily Treasury statement basis .....			-2,775,542.18
Total, Department of Labor .....	43,228,000	47,615,900	30,615,410.43
Department of State:			
Office of the Secretary .....	40,000	19,595,000	17,777,356.71
Foreign Service .....	6,100,000	7,032,000	3,087,283.28
Total .....	6,140,000	26,627,000	20,864,639.99
Adjustment to daily Treasury statement basis .....			-1,455,056.83
Total, Department of State .....	6,140,000	26,627,000	19,409,583.16
Treasury Department:			
Office of the Secretary .....	55,596,000	144,475,000	150,765,922.13
Fiscal Service:			
Bureau of the Public Debt .....			° 373.30
Bureau of Internal Revenue .....			° 2.10
Secret Service Division .....			7,800.00
Procurement Division .....	910,432,000	1,412,800,000	1,281,506,918.62
Total .....	966,028,000	1,557,275,000	1,432,280,265.35
Adjustment to daily Treasury statement basis .....			+57,146,236.21
Total, Treasury Department .....	966,028,000	1,557,275,000	1,489,426,501.56
Anticipated supplemental appropriations .....	1,398,000,000	1,134,200,000	
Total, war activities .....	69,400,000,000	88,000,000,000	87,038,671,937.86
<b>Interest on the public debt .....</b>	<b>4,500,000,000</b>	<b>3,750,000,000</b>	<sup>17</sup> 2,608,979,805.62
<b>Refunds:</b>			
Treasury Department:			
Office of the Secretary .....	1,068,000,000	1,068,000,000	134,032,175.28
Bureau of Customs .....	15,000,000	15,000,000	14,401,655.92
Bureau of Internal Revenue .....	1,641,769,600	1,088,986,000	146,723,882.51
Total .....	2,724,769,600	2,171,986,000	295,157,713.71
Adjustment to daily Treasury statement basis .....			-28,488,056.18
Total, refunds .....	2,724,769,600	2,171,986,000	266,669,657.53
<b>Veterans' pensions and benefits:</b>			
Veterans' Administration .....	2,611,667,350	1,263,858,437	741,559,548.85
Adjustment to daily Treasury statement basis .....			-16,473,403.72
Total, veterans' pensions and benefits .....	2,611,667,350	1,263,858,437	725,086,145.13
<b>Aids to agriculture:</b>			
Department of Agriculture:			
War Food Administration:			
Food Production Administration:			
Agricultural Adjustment Agency:			
Conservation and use of agricultural land resources .....	270,000,000	300,000,000	394,847,822.78
Parity payments .....			163,040,083.91
Other .....	30,000,000	37,500,000	40,235,059.57
Federal Crop Insurance Act .....		300,000	5,926,329.23
Land utilization and retirement of submarginal land .....	1,225,500	1,473,000	1,474,982.09

Footnotes at end of table.

TABLE 111.—Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>EXPENDITURES—Continued</b>			
<b>Aids to agriculture—Continued.</b>			
Department of Agriculture—Continued.			
War Food Administration—Continued.			
Food Production Administration—Con.			
Farm Security Administration.....	\$27,850,000	\$34,935,800	\$35,452,986.13
Total, Food Production Administration.....	329,075,500	374,208,800	640,977,263.71
Food Distribution Administration:			
Exportation and domestic consumption of agricultural commodities.....	85,000,000	92,000,000	96,518,883.79
Administration of Sugar Act of 1937.....	47,000,000	52,000,000	50,509,385.75
Total, Food Distribution Administration.....	132,000,000	144,000,000	147,028,269.54
Total, War Food Administration.....	461,075,500	518,208,800	788,005,533.25
Farm Credit Administration.....	1,675,000	5,050,000	34,415,536.87
Total, Department of Agriculture.....	459,400,500	513,158,800	753,589,996.38
<b>Treasury Department:</b>			
Office of the Secretary:			
Federal land banks:			
Reductions in interest rate on mortgages.....		4,225,000	21,236,376.83
Subscription to capital stock, revolving fund.....	3,087,000	2,031,000	1,347,835.00
Subscriptions to paid-in surplus, revolving fund.....	46,593,000	51,574,000	6,521,078.17
Federal Farm Mortgage Corporation:			
Reductions in interest rate on mortgages.....		1,365,000	7,215,126.54
Total, Treasury Department.....	49,685,000	48,015,000	20,582,590.20
Total.....	409,715,500	465,143,800	774,172,586.58
Adjustment to daily Treasury statement basis.....			-8,912,263.45
Total, aids to agriculture.....	409,715,500	465,143,800	765,260,323.13
<b>Social security program:</b>			
Administrative expenses:			
Federal Security Agency, Social Security Board.....	22,932,000	24,884,000	24,436,769.40
Department of Commerce, Bureau of Census.....	152,000	169,000	231,572.79
Department of Labor, Children's Bureau.....	437,000	414,000	413,316.24
Total, administrative expenses.....	23,521,000	25,467,000	25,081,658.43
<b>Grants to States:</b>			
Federal Security Agency:			
Public Health Service.....	11,260,000	11,614,000	10,839,952.83
Social Security Board.....	452,000,000	436,761,000	465,657,771.59
Total, Federal Security Agency.....	463,260,000	448,375,000	476,497,724.42
Department of Labor:			
Children's Bureau.....	11,200,000	11,693,000	11,158,076.56
Total, grants to States.....	474,460,000	460,068,000	487,655,800.98
Total.....	497,981,000	485,535,000	512,737,459.41
Adjustment to daily Treasury statement basis.....			-1,318,060.64
Total, social security program.....	497,981,000	485,535,000	511,419,398.77

Footnotes at end of table.

TABLE 111.—*Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued*

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>EXPENDITURES—Continued</b>			
<b>Work relief:</b>			
Employees' Compensation Commission.....	\$45,000	\$1,800,000	\$2,104,496.99
General Accounting Office.....		500	11,171.30
<b>Federal Works Agency:</b>			
Office of the Administrator:			
Public Works Administration.....	13,500,000	15,022,000	3,321,817.00
Works Projects Administration.....		187,000	6,370,469.98
Other.....		34,000	5,823,722.24
Total, Federal Works Agency.....	13,500,000	15,243,000	15,516,009.22
Department of the Interior, government in the Territories.....		2,700	28,664.08
<b>Treasury Department:</b>			
Fiscal Service:			
Bureau of Accounts.....			178,893.25
Office of the Treasurer of the United States.....			28,102.47
Secret Service Division.....			13,036.92
Procurement Division.....			260,000.13
Total, Treasury Department.....			480,032.77
Total.....	13,545,000	17,046,200	18,140,374.36
Adjustment to daily Treasury statement basis.....			+4,869,352.47
Total, work relief.....	13,545,000	17,046,200	23,009,726.83
<b>Retirement funds:</b>			
Government employees' retirement funds:			
Civil Service Commission:			
Civil service retirement and disability appropriated fund.....	245,000,000	194,500,000	175,104,000.00
Canal Zone retirement and disability appropriated fund.....	1,177,000	1,177,000	1,177,000.00
Alaska Railroad retirement and disability appropriated fund.....	217,000	175,000	175,000.00
State Department:			
Foreign service retirement and disability appropriated fund.....	922,800	910,500	865,600.00
Total, Government employees' retirement funds.....	247,316,800	196,762,500	177,321,600.00
Railroad retirement appropriated account.....	241,232,000	359,498,000	262,720,000.00
Total, retirement funds.....	488,548,800	556,260,500	440,041,600.00
<b>Aids to youth:</b>			
Federal Security Agency:			
Office of the Administrator:			
Civilian Conservation Corps.....			* 66,370.30
Adjustment to daily Treasury statement basis.....			+236,257.37
Total, aids to youth.....			169,887.07
<b>General Public Works Program:</b>			
National Advisory Committee for Aeronautics.....	7,000,000	16,452,000	11,233,753.72
Tennessee Valley Authority.....	23,000,000	34,000,000	66,544,688.67
Veterans' Administration.....	93,000,000	26,600,000	4,852,670.65
Federal Security Agency, Saint Elizabeths Hospital.....	580,000	398,000	183,260.69
<b>Federal Works Agency:</b>			
Public Buildings Administration.....	1,814,000	4,820,000	3,106,083.87
Public Roads Administration.....	60,150,000	66,200,000	47,199,337.40
Total, Federal Works Agency.....	61,964,000	71,020,000	50,305,421.27
Department of Agriculture, Forest Service.....	4,500,000	4,600,000	5,386,165.00

Footnotes at end of table.



TABLE 111.—*Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued*

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>EXPENDITURES—Continued</b>			
<b>General Public Works Program—Continued.</b>			
Department of Commerce:			
Office of Administrator of Civil Aeronautics	\$9,000,000	\$500,000	\$35,670.95
National Bureau of Standards		83,000	206,588.90
Total, Department of Commerce	9,000,000	583,000	242,259.85
Department of the Interior:			
Bonneville Power Administration	22,000,000	10,745,000	8,257,380.62
Bureau of Indian Affairs	2,250,000	2,050,000	1,749,666.10
Bureau of Reclamation	57,300,000	62,553,700	51,468,511.47
National Park Service	955,000	873,000	632,061.22
Total, Department of the Interior	82,505,000	76,221,700	62,107,619.41
Department of Justice:			
Penal and correctional institutions	372,000	274,000	148,207.84
Department of State:			
Foreign Service	1,200,000	800,000	383,472.04
International Boundary Commission, United States and Mexico	1,400,000	350,000	371,889.53
Total Department of State	2,600,000	1,150,000	755,361.57
War Department (civil functions), Corps of Engineers	109,291,000	179,907,000	170,531,219.48
Total	393,812,000	411,205,700	372,290,628.15
Adjustment to daily Treasury statement basis			+4,801,231.49
Total, General Public Works Program	393,812,000	411,205,700	377,091,859.64
<b>Legislative branch:</b>			
Senate	4,173,000	4,205,000	4,472,035.52
House of Representatives	11,111,165	11,564,715	10,944,264.44
Statement of appropriations	4,000	4,000	4,000.00
Architect of the Capitol	3,308,700	2,539,078	2,277,923.48
Botanic Garden	105,000	115,000	111,824.56
Library of Congress	4,732,300	3,934,600	4,268,992.63
Government Printing Office	6,783,000	6,726,000	6,726,257.98
Total	30,217,165	29,088,393	28,805,298.61
Adjustment to daily Treasury statement basis			-24,507.37
Total, legislative branch	30,217,165	29,088,393	28,780,791.24
<b>The Judiciary:</b>			
United States Supreme Court	655,300	729,500	653,120.09
Other Federal courts	13,697,890	12,512,260	12,134,099.87
Administrative Office of the United States Courts	274,000	297,000	288,279.36
Total	14,627,190	13,538,760	13,075,499.32
Adjustment to daily Treasury statement basis			+1,189.17
Total, The Judiciary	14,627,190	13,538,760	13,076,688.49
<b>Executive Office of the President:</b>			
Executive Office proper	545,000	546,000	505,053.79
Bureau of the Budget	2,507,000	2,035,000	1,739,854.72
National Resources Planning Board			155,802.12
Total	3,052,000	2,581,000	2,400,710.63
Adjustment to daily Treasury statement basis			+814.50
Total, Executive Office of the President	3,052,000	2,581,000	2,401,525.13

Footnotes at end of table.

TABLE 111.—*Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued*

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>EXPENDITURES—Continued</b>			
<b>Civil departments and agencies:</b>			
Independent offices:			
American Battle Monuments Commission.....	\$40,000	\$38,000	\$74,460.76
American Commission for the Protection and Salvage of Artistic and Historic Mon- uments in War Areas.....	58,000	41,000	8,167.95
Bituminous Coal Consumers' Counsel.....			24,417.10
Board of Investigation and Research— Transportation.....		20,000	293,516.23
Civil Service Commission.....	11,443,000	11,700,012	5,884,242.22
Employees' Compensation Commission.....	19,400,000	15,025,000	11,782,799.06
Federal Communications Commission.....	2,704,000	2,122,000	2,188,539.69
Federal Deposit Insurance Corporation.....			* 200.46
Federal Power Commission.....	2,330,850	2,210,440	2,178,934.06
Federal Trade Commission.....	2,008,000	2,092,000	1,819,828.69
Foreign-service pay adjustment.....	(16)	(16)	(16)
General Accounting Office.....	32,980,000	37,450,000	27,341,573.77
Interstate Commerce Commission.....	8,203,000	8,295,000	8,300,096.24
National Advisory Committee for Aero- nautics.....	25,875,000	25,015,000	18,565,633.42
National Archives.....	1,005,000	1,073,000	899,583.50
National Capital Housing Authority.....	20,500	26,900	14,996.01
National Capital Park and Planning Com- mission.....	500,000	1,330,000	244,848.57
National Labor Relations Board.....	2,597,000	2,870,000	2,806,346.67
National Mediation Board.....	591,175	607,659	501,825.66
Railroad Retirement Board.....	14,971,000	15,218,000	17,380,180.62
Securities and Exchange Commission.....	4,275,000	4,700,000	4,567,121.90
Smithsonian Institution.....	2,068,000	2,146,000	2,354,218.45
Tariff Commission.....	926,000	1,062,000	900,961.73
The Tax Court of the United States.....	527,000	562,000	547,419.06
Thomas Jefferson Bicentennial Commission.....		15,000	31,499.39
Thomas Jefferson Memorial Commission.....		20,000	11,481.86
United States Constitution Sesquicenten- nial Commission.....			2,411.43
United States Golden Gate International Exposition Commission.....			55.00
Unclassified items.....			* 7,047.86
Total.....	132,522,525	133,639,911	108,717,910.72
Adjustment to daily Treasury basis.....			-18,468,636.05
Total, independent offices.....	132,522,525	133,639,911	90,249,274.67
<b>Federal Security Agency:</b>			
American Printing House for the Blind.....	115,000	115,000	115,000.00
Columbia Institution for the Deaf.....	167,000	204,000	208,871.67
Food and Drug Administration.....	2,844,000	2,941,000	2,844,915.46
Freedmen's Hospital.....	800,000	282,000	272,634.04
Howard University.....	892,000	907,000	976,240.60
Office of Education.....	27,445,000	27,032,740	26,271,289.06
Public Health Service.....	39,290,000	38,279,000	35,656,106.10
Saint Elizabeths Hospital.....	2,085,000	2,080,000	1,996,155.31
Office of the Administrator.....	4,777,100	12,711,000	8,314,284.87
Miscellaneous.....			58,134.16
Total.....	78,415,100	84,551,740	76,713,631.27
Adjustment to daily Treasury statement basis.....			-14,489.04
Total, Federal Security Agency.....	78,415,100	84,551,740	76,699,142.23
<b>Federal Works Agency:</b>			
Office of the Administrator.....	366,000	372,000	666,176.64
Public Buildings Administration.....	46,490,780	58,024,756	35,318,620.29
Public Roads Administration.....	5,500,000	21,700,000	25,006,671.73
Miscellaneous.....			311,500.62
Total.....	52,356,780	80,096,756	61,302,969.28
Adjustment to daily Treasury statement basis.....			+7,236,009.75
Total, Federal Works Agency.....	52,356,780	80,096,756	68,538,979.03

Footnotes at end of table.

TABLE 111.—*Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued*

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>EXPENDITURES—Continued</b>			
<b>Civil departments and agencies—Continued.</b>			
National Housing Agency:	\$3,032,000	\$4,060,000	\$4,479,055.54
Office of the Administrator.....			56,629.78
Federal Home Loan Bank Administration.....			155,781.89
Federal Housing Administration.....	9,430,000	9,334,000	9,915,579.76
Federal Public Housing Authority.....			4,875.71
Miscellaneous.....	12,462,000	13,394,000	14,611,922.68
Total.....			
Adjustment to daily Treasury statement basis.....	12,462,000	13,394,000	+117,072.52
Total, National Housing Agency.....			14,728,995.20
Department of Agriculture:			
Office of the Secretary.....	5,012,000	4,217,000	1,692,351.23
Office of the Solicitor.....	1,875,000	2,140,000	1,964,340.47
Office of Information.....	1,750,000	2,282,000	2,129,162.10
Library.....	460,000	540,000	562,858.65
Bureau of Agricultural Economics.....	3,730,000	4,555,000	3,897,288.14
Office of Foreign Agricultural Relations.....	498,000	484,533	472,313.93
Agricultural Research Administration:			
Office of Administrator.....	286,000	351,000	547,734.29
Special research fund.....	1,075,000	1,210,000	1,182,856.13
Office of Experiment Stations.....	7,847,500	7,254,500	7,225,336.71
Bureau of Animal Industry.....	8,670,000	9,045,500	8,083,296.71
Bureau of Dairy Industry.....	740,000	800,000	757,660.00
Bureau of Plant Industry, Soils and Agricultural Engineering.....	5,190,000	5,493,000	5,309,833.38
Bureau of Entomology and Plant Quarantine.....	5,280,000	5,735,000	5,473,165.16
Control of incipient and emergency outbreaks of insect pests and plant diseases.....	1,000,000	2,800,000	2,366,306.12
Bureau of Agricultural and Industrial Chemistry.....	4,300,000	4,465,000	3,786,791.15
Bureau of Human Nutrition and Home Economics.....	820,000	775,000	452,769.99
Miscellaneous.....		188,000	* 171,114.52
Total, Agricultural Research Administration.....	35,208,500	38,117,000	35,014,635.12
White pine blister rust control.....	3,800,000	2,150,000	1,958,808.21
Forest Service.....	33,257,000	35,677,000	32,093,018.17
War Food Administration:			
Extension Service.....	19,568,660	19,528,660	19,436,955.12
Food Production Administration, Soil Conservation Service.....	29,775,000	28,995,000	24,882,608.95
Food Distribution Administration, Marketing Service.....	14,431,000	16,655,000	16,175,619.31
Miscellaneous.....		100,000	46,725.62
Rural Electrification Administration.....	16,300,000	12,200,000	4,733,780.85
Miscellaneous.....			75,479.48
Total.....	165,665,160	167,641,193	145,135,945.35
Adjustment to daily Treasury statement basis.....			-1,084,103.79
Total, Department of Agriculture.....	165,665,160	167,641,193	144,051,841.56
Department of Commerce:			
Office of the Secretary.....	1,731,000	1,629,400	1,157,393.95
Loan agencies (Commerce).....			* 6.21
Bureau of the Census.....	11,082,000	13,362,000	3,371,571.36
Office of Administrator of Civil Aeronautics.....	45,110,000	46,012,000	47,634,231.45
Civil Aeronautics Board.....	1,699,000	1,518,000	1,312,250.92
Coast and Geodetic Survey.....	6,185,000	6,822,000	5,520,480.37
Bureau of Foreign and Domestic Commerce.....	2,445,000	2,005,000	1,701,640.16
Patent Office.....	5,325,000	5,175,000	4,816,757.36
National Bureau of Standards.....	4,344,000	5,833,000	1,730,677.54

Footnotes at end of table.

TABLE 111.—*Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—*  
Continued

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>EXPENDITURES—Continued</b>			
<b>Civil departments and agencies—Continued.</b>			
Department of Commerce—Continued.			
Weather Bureau.....	\$12,000,000	\$12,738,000	\$11,089,644.02
Miscellaneous.....			52,163.65
Total.....	89,921,000	95,094,400	78,386,804.57
Adjustment to daily Treasury statement basis.....			-7,434,839.00
Total, Department of Commerce.....	89,921,000	95,094,400	70,951,965.57
Department of the Interior:			
Office of the Secretary.....	4,867,000	3,589,000	4,048,808.14
Commission of Fine Arts.....	10,000	8,000	8,788.71
United States High Commissioner to Philippine Islands.....	275,000	175,000	64,594.85
Office of Fishery Coordination.....	234,000	280,000	88,390.47
Southwestern Power Administration.....	370,000	608,000	813,804.02
Grazing Service.....	2,243,700	1,846,000	1,364,929.33
General Land Office.....	8,287,500	7,945,300	6,247,892.97
Bureau of Indian Affairs.....	27,202,250	28,233,250	29,433,279.66
Bureau of Reclamation.....	3,385,000	3,490,000	2,561,685.36
Geological Survey.....	7,577,000	5,645,000	5,002,873.54
Bureau of Mines.....	16,590,000	10,694,000	5,227,531.35
National Park Service.....	4,966,000	4,898,000	4,685,000.50
Fish and Wildlife Service.....	8,485,300	8,058,000	7,227,732.34
Government in the Territories.....	7,736,000	10,912,000	10,647,841.10
Miscellaneous.....			114,518.69
Total.....	92,228,750	86,381,550	77,537,671.03
Adjustment to daily Treasury statement basis.....			+246,513.10
Total, Department of the Interior.....	92,228,750	86,381,550	77,784,184.13
Department of Justice:			
Legal activities and general administration.....	20,330,000	22,173,000	21,865,573.85
Federal Bureau of Investigation.....	8,000,000	9,100,000	8,110,761.02
Immigration and Naturalization Service.....	21,750,000	28,100,000	29,340,905.94
Federal Prison System.....	16,383,000	15,821,000	15,529,736.02
Miscellaneous.....			56,172.85
Total.....	66,463,000	75,194,000	74,903,149.68
Adjustment to daily Treasury statement basis.....			-3,940,942.38
Total, Department of Justice.....	66,463,000	75,194,000	70,962,207.30
Department of Labor:			
Office of the Secretary.....	3,983,500	3,544,800	3,418,171.98
Bureau of Labor Statistics.....	2,690,000	1,660,000	1,338,016.59
Children's Bureau.....	732,000	622,000	639,372.58
Women's Bureau.....	180,000	193,000	225,565.22
Wage and Hour Division.....	3,808,000	4,600,000	4,695,598.02
Miscellaneous.....			710.47
Total.....	11,393,500	10,619,800	10,317,434.86
Adjustment to daily Treasury statement basis.....			-108,439.05
Total, Department of Labor.....	11,393,500	10,619,800	10,208,995.81

Footnotes at end of table.

**TABLE 111.—Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued**

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>EXPENDITURES—Continued</b>			
<b>Civil departments and agencies—Continued.</b>			
Department of State:			
Office of the Secretary.....	\$11,625,000	\$11,489,000	\$7,229,270.15
Foreign Service.....	44,250,000	35,678,000	22,712,132.45
International obligations.....	9,679,000	7,275,300	4,799,570.02
Miscellaneous.....			757,660.30
Total.....	65,554,000	54,442,300	35,498,632.92
Adjustment to daily Treasury statement basis.....			+1,847,009.09
Total, Department of State.....	65,554,000	54,442,300	37,345,642.01
Treasury Department:			
Office of the Secretary.....	8,601,125	6,852,500	5,459,134.66
Foreign Funds Control.....	3,300,000	3,200,000	3,833,890.51
Division of Tax Research.....	165,000	164,000	179,139.59
Office of Tax Legislative Counsel.....	90,000	100,000	88,061.90
Division of Research and Statistics.....	156,000	176,000	207,802.76
Office of General Counsel.....	162,000	146,000	160,649.39
Division of Personnel.....	161,000	187,000	204,391.62
Office of Chief Clerk.....	575,000	614,000	687,338.41
Custody of Treasury buildings.....	458,000	545,000	616,710.90
Division of Printing.....			19,006.77
Fiscal Service:			
Bureau of Accounts.....	7,938,000	7,989,000	7,270,339.29
Bureau of Public Debt.....	86,395,000	97,268,000	86,374,846.53
Office of Treasurer of the United States.....	5,262,000	5,275,000	4,913,063.89
Bureau of Customs.....	23,583,000	26,090,000	26,325,147.48
Office of Comptroller of the Currency.....	249,000	286,000	291,320.11
Bureau of Internal Revenue.....	121,558,000	139,750,000	130,600,477.79
United States Processing Tax Board of Review.....			90.55
Bureau of Narcotics.....	1,179,000	1,307,700	1,338,139.46
Bureau of Engraving and Printing.....	10,475,000	10,005,000	8,493,729.74
Secret Service Division.....	2,483,000	2,730,000	2,822,000.20
Bureau of the Mint.....	5,459,000	5,284,000	5,081,274.69
Procurement Division.....	22,433,000	18,850,800	7,558,375.99
Miscellaneous.....			881,900.48
Total.....	300,682,125	326,820,000	293,406,832.71
Adjustment to daily Treasury statement basis.....			—8,705,654.60
Total, Treasury Department.....	300,682,125	326,820,000	284,701,178.11
War Department (civil functions):			
Corps of Engineers.....	200,000	389,900	426,070.79
Panama Canal.....	21,245,000	21,351,000	13,724,558.17
Total.....	21,445,000	21,740,900	14,150,628.96
Adjustment to daily Treasury statement basis.....			—1,351,680.91
Total, War Department (civil functions).....	21,445,000	21,740,900	12,798,948.05
Total, civil departments and agencies.....	1,089,108,940	1,149,616,550	959,021,353.67
<b>Post Office Department (general fund)</b> .....			<sup>a</sup> 22,167,486.27
<b>District of Columbia (Federal contribution)</b> .....	6,000,000	6,000,000	6,000,000.00
<b>Anticipated supplemental appropriations</b> .....	347,395,000	590,478,000	

Footnotes at end of table.

TABLE 111.—Detailed receipts and expenditures of general and special accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued

General and special accounts	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>EXPENDITURES—Continued</b>			
Statutory public debt retirement.....			\$2,650.00
Adjustment to daily Treasury statement basis.....			—1,000.00
Total, statutory public debt retirement.....			1,650.00
Total, expenditures, general and special accounts.....	\$82,530,439,545	\$98,912,338,340	93,743,514,863.84

<sup>a</sup> Excess of credits (deduct).

<sup>b</sup> Counter entry (deduct).

<sup>1</sup> Details of income taxes and miscellaneous internal revenue on collection basis with adjustments to basis of the daily Treasury statement. Details of miscellaneous receipts on basis of warrants issued with total adjusted to basis of the daily Treasury statement. Details of expenditures on checks-issued basis with totals adjusted to basis of the daily Treasury statement.

<sup>2</sup> Because of the time required for payments reported as tax collections toward the end of each month to clear through the banks and become available for expenditures on the daily Treasury statement basis, an adjustment from the collection basis to the daily Treasury statement basis is necessary. A positive adjustment indicates that during the fiscal year more tax receipts on the daily Treasury statement basis have been received than are reported as collections, and a negative adjustment indicates the reverse situation.

<sup>3</sup> Amounts actually withheld are reported on a collection basis by the Bureau of Internal Revenue in the first and second months following the quarter in which the actual withholdings took place. On the daily Treasury statement basis a large portion of the amounts withheld is reported in the first month following the month in which the actual withholdings took place. The adjustment is the difference between the figure shown on a collection basis and the figure shown on the daily Treasury statement basis for the given period.

<sup>4</sup> Collections for credit to trust funds are not included.

<sup>5</sup> Includes collections from: Taxes on narcotics, taxes imposed under the National Firearms Act, and the tax on hydraulic mining, all of which are effective currently. In addition, includes collections from excise taxes repealed or suspended prior to and including the Revenue Act of 1943 (consisting primarily of rubber articles, electric signs, optical equipment, washing machines, vacuum cleaners, and manufacturers' tax on luggage); collections from the tobacco, matches and tires and tubes floor stocks taxes imposed by the Revenue Acts of 1941 and 1942; and collections from the tax under the Bituminous Coal Act of 1937 which expired August 24, 1943. However, collections in the fiscal year 1944 from the manufacturers' tax on luggage are included with the manufacturers' excise taxes.

<sup>6</sup> Includes estimated collections of \$243,200,000 in the fiscal year 1945 and \$301,000,000 in the fiscal year 1946 which the Federal Government pays to itself as a result of the elimination of exemptions to the Federal Government from certain taxes under the Revenue Act of 1943.

<sup>7</sup> Result of an unappropriated balance of prior year transferred to the trust fund receipt account during current fiscal year "Deposits for salaries and expenses, Federal Home Loan Bank Administration."

<sup>8</sup> Deposits amounting to \$24,366,000 accepted in the fiscal year 1943 by the Navy Department as an over-all adjustment for savings in cost over estimates on work in progress for the Navy, and not obtained as a result of a renegotiation of any particular contract, transferred in the fiscal year 1944 to "Voluntary return of excessive profits," which is included in "Reimbursements, excessive profits on renegotiated contracts."

<sup>9</sup> Includes cash refunds which are recoveries of excessive profits from renegotiation of war contracts which would not have been collected as taxes, plus those amounts which would have been collected as taxes if the corporation had filed a definitive tax return prior to the determination of the amount of excessive profits.

<sup>10</sup> Result of receipts covered in fiscal year 1942 and transferred to General Fund account in fiscal year 1944.

<sup>11</sup> Represents transfer of unappropriated balance of prior year receipts to appropriation account "Rents, Maintenance, etc., National Defense Housing Project (Emergency fund for the President), Navy."

<sup>12</sup> Upon final determination, appropriate amounts will be transferred to this account from the special account for Bonneville project.

<sup>13</sup> Includes \$23,675,742.51 sale of Government property—products under War Department.

<sup>14</sup> Because of possible material changes in war conditions, the detailed estimates of appropriations for the fiscal year 1946 will be submitted to the Congress as a part of a supplementary Budget in the spring of 1945. Consequently the estimated expenditures for the fiscal year 1946 are tentative.

<sup>15</sup> Includes Office for Emergency Management and constituent agencies, Office of Censorship, Office of Price Administration, Office of Strategic Services, and Petroleum Administration for War.

<sup>16</sup> Expenditures are shown under the various agencies to which funds are allocated.

<sup>17</sup> Includes adjustment to daily Treasury statement of \$1,137,466.39.

<sup>18</sup> Represents deposits on the basis of covering warrants. Information regarding the amount of such deposits is not available on the basis of the daily Treasury statements. Includes voluntary returns of excessive profits on renegotiated contracts in the amount of \$112,754,469.99.

TABLE 112.—Detailed receipts and expenditures of trust accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946

[On basis of 1946 Budget document]

Trust accounts	Estimated		Actual, fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>RECEIPTS</b>			
<b>Unemployment trust fund:</b>			
Deposits by States (net).....	\$1,099,411,000	\$1,256,220,898	\$1,349,306,970.12
Railroad unemployment insurance account:			
Deposits by Railroad Retirement Board.....	99,000,000	119,700,000	109,374,997.72
Transfers from railroad unemployment insurance administration fund (act Oct. 10, 1940).....	9,729,000	8,948,000	11,699,700.00
Interest on investments.....	154,738,063	126,210,781	96,527,764.42
Total, unemployment trust fund.....	1,362,878,063	1,511,079,679	1,566,909,432.26
<b>Federal old-age and survivors insurance trust fund:</b>			
Interest on investments.....	153,803,112	129,983,773	103,177,087.09
Net appropriation from General Fund receipts.....	1,599,880,000	1,293,060,000	1,259,515,059.93
Total, Federal old-age and survivors insurance trust fund.....	1,753,683,112	1,423,043,773	1,362,692,147.02
<b>Veterans' life insurance funds:</b>			
National service life insurance fund:			
Premiums.....	840,240,000	823,052,000	781,144,957.94
Interest and profits on investments.....	90,000,000	67,483,000	22,190,004.10
Transfers from General Fund.....	1,000,000,000	516,228,342	101,208,962.49
Total, national service life insurance fund.....	1,930,240,000	1,406,763,342	904,543,924.53
Government life insurance fund:			
Premiums and other receipts.....	48,615,500	50,136,500	55,253,363.46
Interest and profits on investments.....	40,510,700	39,862,200	38,891,038.56
Total, Government life insurance fund.....	89,126,200	89,998,700	94,144,402.02
Total, Veterans' life insurance funds.....	2,019,366,200	1,496,762,042	998,688,326.55
<b>Federal employees' retirement funds:</b>			
Civil service retirement and disability fund:			
Deduction from salaries, etc.....	337,948,564	307,226,457	267,155,789.09
Interest and profits on investments.....	77,027,379	70,024,890	52,767,637.64
Transfers from General Fund—United States share.....	245,000,000	194,500,000	175,104,000.00
District of Columbia share.....	1,220,000	1,290,875	889,037.00
Total, civil service retirement and disability fund.....	661,195,943	573,042,222	495,916,463.73
Canal Zone retirement and disability fund:			
Deductions from salaries, etc.....	1,520,786	1,421,295	1,278,300.73
Interest on investments.....	446,147	416,960	361,964.22
Transfers from General Fund—United States share.....	1,177,000	1,177,000	1,177,000.00
Total, Canal Zone retirement and disability fund.....	3,143,933	3,015,255	2,817,264.95
Alaska Railroad retirement fund:			
Contributions.....	181,280	176,000	171,531.06
Interest on investments.....	79,310	77,000	67,757.37
Transfers from General Fund—United States share.....	217,000	175,000	175,000.00
Total, Alaska Railroad retirement fund.....	477,590	428,000	414,288.43
Foreign service retirement and disability fund:			
Deductions from salaries, etc.....	275,000	275,000	272,297.37
Interest on investments.....	300,000	300,000	277,847.96
Transfers from General Fund—United States share.....	922,800	910,500	865,600.00
Total, foreign service retirement and disability fund.....	1,497,800	1,485,500	1,415,745.33
Total, Federal employees' retirement funds.....	666,315,266	577,970,977	500,563,762.44

TABLE 112.—*Detailed receipts and expenditures of trust accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued*

Trust accounts	Estimated		Actual fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>RECEIPTS—Continued</b>			
<b>Railroad retirement account:</b>			
Interest on investments.....	\$19,000,000	\$15,000,000	\$9,837,049.21
Transfer from General Fund.....	241,232,000	359,498,000	262,720,000.00
Total, railroad retirement account.....	260,232,000	374,498,000	272,557,049.21
<b>Other trust accounts:</b>			
Legislative branch:			
Library of Congress catalog card fees, deposits.....	70,000	70,000	71,415.23
Library of Congress copyright fees, deposits.....	50,000	50,000	51,175.95
Depository sets of Library of Congress catalog cards, deposits.....			7,172.09
Library of Congress gift fund.....			87,104.98
Library of Congress trust fund investment account.....	30,000	30,000	27,936.57
Library of Congress trust fund permanent loan account.....	20,000	20,000	24,123.42
Government Printing Office, Superintendent of Documents, unearned proceeds of sale of publications.....	1,150,000	1,150,000	1,383,329.79
Oliver Wendell Holmes Memorial fund, deposits.....			33,916.19
Total, legislative branch.....	1,320,000	1,320,000	1,686,174.22
<b>The Judiciary:</b>			
Deposits of collections:			
Clerks of the United States district courts.....	4,000,000	4,000,000	4,013,244.72
Clerks of the United States circuit courts of appeals.....	275,000	275,000	274,308.53
Clerk of the United States Court of Appeals for the District of Columbia.....	5,000	5,000	4,634.52
Clerk of Emergency Court of Appeals.....	2,000	2,000	1,748.24
Total, the Judiciary.....	4,282,000	4,282,000	4,293,936.01
<b>Executive Office of the President and independent offices:</b>			
Canal Zone biological area fund, deposits.....		3,000	6,031.50
Deposits, compensation awards, property requisitioned for national defense.....	320,000	420,000	594,240.01
Deposits, by State agencies, supply and distribution of farm labor, employment services, War Manpower Commission.....	400,000	600,000	1,156,229.66
Employees' Compensation Commission, relief and rehabilitation and interest on investments, Longshoremen and Harbor Workers' Compensation Act.....	50,000	100,000	179,759.92
Federal Communications Commission, receipts, international telecommunication settlements.....	7,500	7,500	4,686.79
Federal Power Commission, licenses under Federal Power Act from Indian reservations.....	195,742	196,730	197,660.20
General Accounting Office, withholdings from contractors for wage adjustments, act of Aug. 30, 1935.....	2,900	3,500	5,552.34
General Accounting Office, funds due Paul Hoffman.....			1.37
Interstate Commerce Commission:			
Deposits, unearned permit fees.....			2,485.00
Deposits, unearned fees, admission of attorneys.....	800	800	610.00
<b>National Archives:</b>			
National Archives trust fund donations, Franklin D. Roosevelt Library income account, deposits.....	1,500	1,500	802.14
Franklin D. Roosevelt Library gift fund, donations.....			494.93
Securities and Exchange Commission, deposits, unearned fees.....	20,000	7,000	6,369.88



TABLE 112.—Detailed receipts and expenditures of trust accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued

Trust accounts	Estimated		Actual, fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>RECEIPTS—Continued</b>			
<b>Other trust accounts—Continued.</b>			
Executive Office of the President and independent offices—Continued.			
National Capital Housing Authority:			
Loan by United States Housing Authority for low-rent housing fund.....		\$1,053,000	\$215,712.57
Langston management, deposits.....	\$120,000	120,000	119,516.31
Completed properties, deposits.....	960,000	950,000	934,196.80
Veterans' Administration:			
Adjusted service certificate fund:			
Interest on investments.....	140,900	641,000	746,497.42
Interest on loans.....		1,000	2,264.96
Transfers from General Fund.....		9,000,000	
Total, adjusted service certificate fund.....	140,900	9,642,000	748,762.38
Miscellaneous trust accounts:			
Funds due incompetent beneficiaries, deposits.....	160,000	160,000	272,982.40
General post fund, national homes, deposits.....	100,000	100,000	181,666.19
Personal funds of patients, deposits.....	4,500,000	4,500,000	5,766,665.94
Total, Veterans' Administration.....	4,900,900	14,402,000	6,970,076.91
Welfare and Recreational Association of Public Buildings and Grounds, receipts.....	15,000,000	15,000,000	14,985,296.21
Total, Executive Office of the President and independent offices.....	21,979,342	32,865,030	25,381,722.54
Federal Security Agency:			
Civilian Conservation Corps:			
Deposit account.....			60.39
Proceeds, estates of deceased and mentally incompetent enrolled members.....			24.20
Food and Drug Administration:			
Deposits, sea food inspection fees.....	10,000	10,000	18,542.00
Deposits, insulin certification fees.....	1,000	1,000	<sup>b</sup> 963.75
Deposits, coal tar colors, certification fees.....	5,000	5,000	<sup>b</sup> 7,449.88
Freedmen's Hospital:			
Contributions, unconditional gift fund.....	200	200	200.00
Public Health Service:			
Contributions and interest on investments, National Institute of Health conditional gift fund.....	5,000	5,000	3,357.50
Contributions to National Cancer Institute:			
Unconditional gift fund.....			150.00
Conditional gift fund.....			300.00
Narcotic farm, deposits of personal funds and earnings of inmates.....	65,000	65,000	118,565.25
Proceeds from effects and moneys of former patients.....	4,000	4,000	5,195.10
Deposits, erection or support of hospitals for sick or disabled seamen.....			23.57
Saint Elizabeths Hospital:			
Personal funds of patients.....	320,000	300,000	310,545.13
Personal funds of student nurses.....			71.26
Pension money.....	176,000	160,000	122,504.84
Contributions, Saint Elizabeths Hospital, unconditional gift fund.....			135.35
Total, Federal Security Agency.....	586,200	550,200	571,260.96
Federal Works Agency:			
Public Roads Administration:			
Contributions from States, etc., cooperative work, strategic network of highways.....		94,500	26,725.00
Proceeds, sale of materials acquired under scrap collection program.....		<sup>b</sup> 45,000	<sup>b</sup> 1 445,209.41
Total, Federal Works Agency.....		49,500	<sup>b</sup> 418,484.41

<sup>b</sup> Counter entry (deduct).<sup>1</sup> Result of transfer of excess receipts from trust fund account to the General Fund receipt account "Sale of scrap and salvaged materials."

TABLE 112.—Detailed receipts and expenditures of trust accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued

Trust accounts	Estimated		Actual, fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>RECEIPTS—Continued</b>			
<b>Other trust accounts—Continued.</b>			
National Housing Agency:			
Deposits, operation and maintenance of re- settlement projects, Federal Public Hous- ing Authority, act of Dec. 18, 1941 (55 Stat. 838).....	\$1,690,000	\$1,750,000	\$1,651,130.88
Deposits, unearned collections, Title I, Na- tional Housing Act, as amended.....	<sup>b</sup> 80,000	<sup>b</sup> 250,000	<sup>b</sup> 2573,988.96
Deposits, recoveries on real properties ac- quired under insurance granted prior to July 1, 1939, Title I, National Housing Act.....	<sup>b</sup> 10,000	<sup>b</sup> 20,000	77,057.03
Deposits, reserve for maintenance and re- pair, lease and purchase agreements, Fed- eral Public Housing Authority, act of June 26, 1934.....	1,500	1,500	1,397.93
Deposits toward purchase price, lease and purchase contracts, Federal Public Hous- ing Authority, act of June 26, 1934.....	10,000	5,000	4,316.74
Total, National Housing Agency.....	1,611,500	1,486,500	1,159,913.62
Department of Agriculture:			
Forest Service:			
Cooperative fund.....	2,000,000	2,000,000	3,106,014.46
War Food Administration:			
Food Production Administration:			
Agricultural Adjustment Agency:			
Grain moisture content and grade determination for Com- modity Credit Corporation, deposits by producers.....	1,000,000	1,000,000	1,517,263.45
Deposits, indemnity fund, county associations.....		15,000	2,373.94
Deposits of undistributed cot- ton price adjustment pay- ments.....	1,000	2,000	2,158.78
Farm Security Administration:			
Resettlement and rural rehabil- itation projects, deposits.....	150,000	600,000	1,125,559.34
Assets of State rural rehabil- itation corporations, deposits.....	5,000,000	6,000,000	7,774,088.61
Reserve for maintenance and re- pair, lease and purchase agree- ments, deposits.....	50	200	623.47
Deposits toward purchase price, lease and purchase contracts.....	5,000	15,000	111,499.55
Food Distribution Administration:			
Marketing Service:			
Collections, distilled spirits in- dustry, parity payments.....			72,325.36
Deposits of fees, inspection and grading of farm products.....	4,400,000	5,000,000	4,658,433.19
Deposits by producers, expen- ses, grading of agricultural commodities for Commodity Credit Corporation.....	623,168	541,000	553,245.00
Commodity stamp trust fund, transfers from general fund.....			<sup>b</sup> 2,840,031.50
Miscellaneous trust accounts:			
Deposits of miscellaneous contributed funds.....	100,000	125,000	499,572.99
Deposits, unearned fees and other charges, sec. 8a (4), Commodity Ex- change Act.....	13,500	12,500	11,970.00
Deposits to secure payments for repro- duction of photographs, mosaics, and maps.....	30,700	30,700	28,082.17
Total, Department of Agriculture.....	13,323,418	15,341,400	16,623,178.81

<sup>b</sup> Counter entry (deduct).<sup>2</sup> Result of transfer of earned portion of deposits to the General Fund.

TABLE 112.—Detailed receipts and expenditures of trust accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued

Trust accounts	Estimated		Actual, fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>RECEIPTS—Continued</b>			
<b>Other trust accounts—Continued.</b>			
Department of Commerce:			
Bureau of the Census, deposits, special statistical work.....	\$150,000	\$85,000	\$53,685.98
Bureau of Foreign and Domestic Commerce, deposits, special statistical work.....	1,500	5,930	14,265.73
Patent Office, deposits, unearned fees.....	50,000	50,000	43,778.39
Total, Department of Commerce.....	201,500	140,930	111,730.10
Department of the Interior:			
Grazing Service:			
Contributions, grazing districts.....	125,000	125,000	109,666.23
Deposits, unearned proceeds, lands, etc., grazing service.....			<sup>b</sup> 8,442.98
General Land Office:			
Deposits, public survey work.....	10,000	10,000	5,947.87
Trustee funds, Alaska town sites.....	2,000	2,000	55.30
Deposits, unearned proceeds, lands, etc.....	450,000	450,000	1,793,980.33
Bureau of Indian Affairs:			
Contributions of funds for Indian projects.....		3,500	10,982.80
Deposits, leases, etc., Pawnee Indian Agency and school reserves, Oklahoma.....			1,204.80
Proceeds of sales and leases of Indian lands, etc.....	4,800,000	4,750,000	4,877,429.45
Annette Islands reserve, Alaska, deposits, leases, etc.....	100,000	100,000	99,403.19
Proceeds of labor (act June 13, 1930).....	2,099,400	2,145,750	2,156,427.66
Proceeds of labor, Indian moneys, agencies, schools, etc.....	600,000	600,000	569,094.78
Puye Cliff Ruins, New Mexico, admission fees.....			1,200.00
Indian ceded lands, receipts due to Indians under Grazing Act, June 28, 1934.....			183.43
Bureau of Reclamation:			
Contributions to reclamation fund.....	1,278,200	605,100	1,663,659.14
Southwestern Power Administration:			
Deposits from sale and transmission of electric energy, Grand River Dam project, Oklahoma:			
Operating revenues.....	1,500,000	1,863,000	1,854,949.37
Public Works Administration loan and grant funds.....			24,719.45
National Park Service:			
Donations for lands, etc.....	20,000	20,000	29,750.00
Preservation of birthplace of Abraham Lincoln, interest on endowment fund.....	2,300	2,300	2,030.00
Contributions to national park trust fund.....	1,500	1,500	68.00
Income on investments.....	500	500	500.76
Fish and Wildlife Service:			
Deposits, contributed funds.....	5,000	5,000	13,328.54
Fox and fur seal industries, Pribilof Islands, advances.....	100,000	100,000	51,875.00
Deposits, unearned proceeds, sales of furs.....	1,000	1,000	<sup>b</sup> 8,352.67
Government in the Territories:			
Funds contributed for improvement of roads, bridges, and related works, Alaska.....	81,800	80,000	83,336.67
Total, Department of the Interior.....	11,176,700	10,861,650	13,332,987.12
Department of Justice:			
Legal activities and general administration:			
United States marshals, deposits of collections.....	500,000	490,000	325,404.40
Immigration and Naturalization Service:			
Deposits of funds of aliens who become public charges.....	2,000	1,000	2,603.11
Deposits to secure payment of fines and passage money.....	23,000	23,000	11,698.00

<sup>b</sup> Counter entry (deduct).

TABLE 112.—Detailed receipts and expenditures of trust accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued

Trust accounts	Estimated		Actual, fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>RECEIPTS—Continued</b>			
<b>Other trust accounts—Continued.</b>			
<b>Department of Justice—Continued.</b>			
<b>Federal Prison System:</b>			
Deposits of funds of Federal prisoners.....	\$1,550,000	\$1,525,000	\$1,429,409.63
Deposits of commissary funds, Federal prisons.....	675,000	660,000	608,687.53
Total, Department of Justice.....	2,750,000	2,699,000	2,377,802.67
<b>Navy Department:</b>			
Contributions to U. S. Naval Academy Museum fund.....			1,008.25
Contributions to U. S. Naval Academy, general gift fund.....			85,000.00
Bequest of Dudley J. Wolfe to U. S. Naval Academy.....			<sup>b</sup> 85,000.00
Profit from sale of ships' stores.....	3,000,000	3,000,000	3,152,788.08
Navy fines and forfeitures, deposits.....			3,442,713.62
Pay of the Navy, deposits.....	604,000	510,000	541,043.33
Navy hospital fund, deposits.....			2,825,055.06
Pay of the Marine Corps, deposits.....	2,250,000	2,300,000	1,738,320.17
Proceeds from effects of deceased employees, Navy Department.....			118.06
National defense housing projects, deposits, rents.....	40,000	40,000	<sup>b</sup> 197,064.72
Total, Navy Department.....	5,894,000	5,850,000	11,503,981.85
<b>State Department:</b>			
Settlement of claims, Special Claims Commission, under art. 2 of convention, Apr. 24, 1934, between the United States and Mexico.....		448,000	509,480.20
Settlement of claims, Special Claims Commission, under art. 1 of agreement, Oct. 25, 1934, between the United States and Turkey.....	100,000	100,000	
Collections from shipping companies for repatriation of American seamen.....			528.80
Deposits of collections, Mexican claims fund.....	2,500,000	2,500,000	2,500,000.00
Deposits, Mexican claims fund, expropriation of petroleum properties and default of bonds.....	4,085,000	4,085,000	12,796,391.04
Wages due American seamen.....	40,000	40,000	40,466.59
Estates of decedents.....	500	500	<sup>b</sup> 511.32
Deposits, unearned passport and application fees.....			<sup>b</sup> 214,656.99
Total, State Department.....	6,725,500	7,173,500	15,631,698.32
<b>Treasury Department:</b>			
<b>Fiscal Service:</b>			
Proceeds of assets of Liberty Loan associations of banks and trust companies of New York.....			<sup>b</sup> 799.62
Proceeds of Government obligations held for rightful owners.....			85.75
Proceeds from redemption of undelivered Liberty Loan bonds belonging to subscribers whose whereabouts are unknown.....			<sup>b</sup> 1,921.29
<b>Bureau of Internal Revenue:</b>			
American Samoa, coconut oil tax, internal revenue.....	2,200	2,200	2,167.20
Philippine Islands, internal revenue collections.....	5,000	5,000	4,909.08
Philippine Islands, coconut oil tax, internal revenue.....	15,000	45,000	1,517,741.02
Puerto Rico, internal revenue collections.....	23,000	23,000	725,575.68
Puerto Rico and Virgin Islands, deposits for expenses, Treasury Department, enforcement Title III, National Prohibition Act, as amended.....	40,800	47,880	47,884.00

<sup>b</sup> Counter entry (deduct).<sup>3</sup> Transferred to "Contributions to U. S. Naval Academy general gift fund."

TABLE 112.—*Detailed receipts and expenditures of trust accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued*

Trust accounts	Estimated		Actual, fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>RECEIPTS—Continued</b>			
<b>Other trust accounts—Continued.</b>			
Treasury Department—Continued.			
United States Processing Tax Board of Review:			
Deposits, unearned fees and costs.....			\$376.85
Total, Treasury Department.....	\$86,000	\$123,080	2,296,018.67
War Department:			
Funds held for military personnel and related units overseas.....	10,000,000	12,000,000	54,101.12
Pay of the Army, deposit fund.....	50,000,000	100,000,000	69,822,554.68
Personal funds of military and civilian personnel located overseas, deposits.....	400,000,000	500,000,000	155,188,434.55
Proceeds from effects of mentally incompetent soldiers.....	100,000	150,000	146,124.94
Proceeds from estates of deceased personnel.....	20,000	25,000	25,076.53
Proceeds from estates of deceased soldiers, Regular Army.....	400,000	800,000	495,619.32
Interest on investments, bequest of Maj. Gen. Fred C. Ainsworth to Walter Reed General Hospital.....	279	279	278.87
Proceeds from redemption of undelivered Liberty Loan bonds belonging to subscribers whose whereabouts are unknown.....			70.18
Soldiers' Home permanent fund.....	3,405,300	3,335,900	3,320,868.95
Fort Monroe, Va., contributions for sewerage system.....	15,000	15,000	14,396.42
National defense housing projects (U. S. Housing Authority), deposits, rents.....	40,000	80,000	32,788.64
Deposits, operating costs of plants by Army under Executive orders.....	10,000	200,000	1,776,545.17
Deposits, unapplied balances from class A pay reservations of mentally incompetent and deceased employees, United States war savings bonds.....	36,000	36,000	36,667.13
Deposits, fund of civilian internees and prisoners of war.....	5,000,000	20,000,000	13,311,377.93
Moneys collected by United States forces in occupied territory or under martial law, Territory of Hawaii.....		100,000	1,456,666.43
Contributions for river and harbor improvements.....	52,500	67,500	409,500.00
Contribution of funds for flood control.....	15,000	129,356	431,498.99
Refund of unapplied balances under class B allotments, United States war savings bonds.....	100,000	1,000,000	2,339,070.00
Total, War Department.....	469,194,079	637,939,035	248,861,639.85
District of Columbia:			
Revenues.....	63,538,300	65,462,933	66,718,651.00
Transfer from General Fund (Federal contribution).....	6,000,000	6,000,000	6,000,000.00
Total, District of Columbia.....	69,538,300	71,462,933	72,718,651.00
Miscellaneous trust accounts:			
Deposits, miscellaneous and excess collections.....	500	500	615.08
Deposits of unclaimed moneys of individuals whose whereabouts are known.....	500	501	1,375.33
Unclaimed moneys of individuals whose whereabouts are unknown.....	83,725	94,054	104,266.18
Unclaimed moneys due creditors of contractors with the United States under cost-plus-a-fixed-fee contract.....	20,300	40,300	65,242.82
Total, miscellaneous trust accounts.....	105,025	135,355	170,269.25
Increment resulting from reduction in the weight of the gold dollar.....	100,000	150,000	171,591.10
Total.....	608,873,564	792,433,113	416,474,071.68
Adjustment to daily Treasury statement basis.....			-65,163,200.69
Total, other trust accounts.....	608,873,564	792,433,113	351,310,870.99
Total receipts, trust accounts.....	6,661,348,205	6,175,787,584	5,052,721,588.47

\* Counter entry (deduct).

TABLE 112.—*Detailed receipts and expenditures of trust accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued*

Trust accounts	Estimated		Actual, fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>EXPENDITURES</b>			
<b>Unemployment trust fund:</b>			
Investments in United States securities.....	\$1, 292, 378, 063	\$1, 449, 458, 781	\$1, 503, 000, 000. 00
Railroad unemployment insurance account.....	500, 000	500, 000	591, 283. 79
State accounts:			
Withdrawals by States.....	70, 000, 000	65, 000, 000	59, 999, 500. 00
Total, unemployment trust fund.....	1, 362, 878, 063	1, 514, 958, 781	1, 563, 590, 783. 79
<b>Federal old-age and survivors insurance trust fund:</b>			
Benefit payments.....	301, 000, 000	238, 000, 000	184, 597, 363. 80
Investments in United States securities.....	1, 452, 683, 112	1, 191, 108, 890	1, 172, 035, 880. 00
Total, Federal old-age and survivors insurance trust fund.....	1, 753, 683, 112	1, 429, 108, 890	1, 356, 633, 243. 80
<b>Veterans' life insurance funds:</b>			
National service life insurance fund:			
Investments in United States securities.....	1, 670, 740, 000	1, 256, 567, 342	861, 700, 000. 00
Insurance losses and refunds.....	259, 500, 000	150, 196, 000	31, 365, 551. 92
Government life insurance fund:			
Investments in United States securities.....	25, 749, 500	40, 797, 400	60, 042, 266. 12
Insurance losses and refunds.....	63, 376, 700	49, 201, 300	33, 592, 938. 92
Total, veterans' life insurance funds.....	2, 019, 366, 200	1, 496, 762, 042	986, 700, 756. 96
<b>Federal employees' retirement funds:</b>			
Civil service retirement and disability fund:			
Annuities and refunds.....	130, 781, 915	131, 007, 237	100, 476, 706. 54
Investments in United States securities.....	530, 414, 028	446, 429, 160	390, 592, 000. 00
Canal Zone retirement and disability fund:			
Annuities and refunds.....	1, 761, 510	1, 646, 271	1, 470, 590. 25
Investments in United States securities.....	1, 382, 423	1, 460, 202	1, 227, 000. 00
Alaska Railroad retirement and disability fund:			
Annuities and refunds.....	220, 935	214, 500	202, 562. 30
Investments in United States securities.....	256, 655	221, 220	203, 000. 00
Foreign service retirement and disability fund:			
Annuities and refunds.....	590, 000	590, 000	512, 641. 60
Investments in United States securities.....	907, 800	895, 500	897, 000. 00
Total, Federal employees' retirement funds.....	666, 315, 266	582, 464, 090	495, 581, 500. 69
<b>Railroad retirement account:</b>			
Benefit payments.....	148, 500, 000	142, 000, 000	134, 415, 832. 07
Investments in United States securities.....	112, 000, 000	232, 000, 000	140, 500, 000. 00
Total, railroad retirement account.....	260, 500, 000	374, 000, 000	274, 915, 832. 07
<b>Other trust accounts:</b>			
Legislative branch:			
House of Representatives:			
Special deposit account:			
Federal tax withholdings.....			33, 712. 30
Architect of the Capitol:			
Oliver Wendell Holmes Memorial fund.....			33, 916. 19
Special deposit accounts:			
Federal tax withholdings.....			• 20, 447. 28
Other.....			• 3, 910. 37
Library of Congress:			
Gift fund.....	30, 000	120, 000	97, 297. 98
Income from investment account.....	26, 000	26, 100	27, 660. 27
Unearned copyright fees.....	14, 000	14, 400	10, 778. 30
Unearned catalog card fees.....	1, 000	1, 000	167. 96
Special deposit account.....			75, 026. 91
Special deposit account, Federal tax withholdings.....			• 102, 927. 94
Government Printing Office:			
Unearned proceeds of sale, etc., of publications, Superintendent of Documents.....	1, 150, 000	1, 178, 000	1, 195, 453. 73
Special deposit accounts:			
Federal tax withholdings.....			• 308, 390. 86
Payroll allotments, war bonds.....			• 20, 615. 58
Total, legislative branch.....	1, 221, 000	1, 339, 500	1, 017, 721. 61

• Excess of credits (deduct).

TABLE 112.—*Detailed receipts and expenditures of trust accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued*

Trust accounts	Estimated		Actual, fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>EXPENDITURES—Continued</b>			
<b>Other trust accounts—Continued.</b>			
The Judiciary:			
Fees and other collections, clerks of United States district courts.....	\$4,282,000	\$4,282,000	\$3,203,857.26
Special deposit account.....	1,500,000	1,500,000	6,645,336.48
Special deposit account, Federal tax withholdings.....			° 242,327.77
Total, The Judiciary.....	5,782,000	5,782,000	9,606,865.97
Executive Office of the President and independent offices:			
Executive Office of the President, special deposit accounts:			
The White House Office:			
Special deposit account.....			20.76
Bureau of the Budget:			
Special deposit account.....			1.02
National Resources Planning Board:			
Special deposit account.....			5,761.81
War agencies <sup>4</sup> .....	720,000	1,020,000	° 186,501,223.73
American Battle Monuments Commission:			
Special deposit accounts:			
Federal tax withholdings.....			11.60
Payroll allotments, war bonds.....			108.75
American Commission for the Protection and Salvage of Artistic and Historic Monuments in War Areas:			
Special deposit accounts:			
Federal tax withholdings.....			° 386.40
Payroll allotments, war bonds.....			° 50.05
Bituminous Coal Consumers' Counsel:			
Special deposit accounts:			
Federal tax withholdings.....			1,537.44
Payroll allotments, war bonds.....			890.00
Other.....			° 90
Board of Investigation and Research:			
Special deposit accounts:			
Federal tax withholdings.....			950.04
Payroll allotments, war bonds.....			2,520.91
Canal Zone biological area fund.....			5,270.11
Civil Service Commission:			
Special deposit accounts:			
Federal tax withholdings.....			° 412,946.12
Payroll allotments, war bonds.....			° 26,604.35
Other.....			459,035.82
Employees' Compensation Commission:			
Relief and rehabilitation, Longshoremen's and Harbor Workers' Compensation Act.....	10,000	10,000	79,500.99
Relief and rehabilitation, District of Columbia Workmen's Compensation Act.....	3,000	3,000	
Special deposit accounts:			
Federal tax withholdings.....			° 26,568.47
Payroll allotments, war bonds.....			° 922.66
Other.....			24.44
Federal Communications Commission:			
International telecommunication settlements.....	7,500	7,500	8,727.17
Special deposit accounts:			
Federal tax withholdings.....			° 133,135.25
Payroll allotments, war bonds.....			° 17,796.54
Other.....			483.12
Federal Emergency Relief Administration:			
Special deposit account.....			21.18
Federal Power Commission:			
Special deposit accounts:			
Federal tax withholdings.....			° 53,175.04
Payroll allotments, war bonds.....			9,304.63
Other.....			° 11,035.33

° Excess of credits (deduct).

<sup>4</sup> Because of possible material changes in war conditions the detailed estimates of appropriations for the fiscal year 1946 will be submitted to the Congress as a part of a supplementary Budget in the spring of 1945. Consequently the estimated expenditures for the fiscal year 1946 are tentative.

TABLE 112.—*Detailed receipts and expenditures of trust accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued*

Trust accounts	Estimated		Actual, fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>EXPENDITURES—Continued</b>			
<b>Other trust accounts—Continued.</b>			
Executive Office of the President and independent offices—Continued.			
Federal Trade Commission:			
Special deposit accounts:			
Federal tax withholdings			• \$43,215.16
Payroll allotments, war bonds			• 4,505.34
Other			• 25.40
General Accounting Office:			
Wages of employees of contractors	\$4,000	\$4,000	86.40
Special deposit accounts:			
Federal tax withholdings			• 711,098.61
Payroll allotments, war bonds			10,149.50
Other			• 1,837,917.20
Interstate Commerce Commission:			
Unearned permit fees			323.25
Unearned fees, admission of attorneys	100	140	130.00
Special deposit accounts:			
Federal tax withholdings			• 178,639.50
Payroll allotments, war bonds			• 845.11
Other			814.08
National Advisory Committee for Aeronautics:			
Special deposit accounts:			
Federal tax withholdings			• 373,135.25
Payroll allotments, war bonds			• 67,730.92
Other			23.19
National Archives:			
Franklin D. Roosevelt Library, income account	1,400	1,500	388.95
Franklin D. Roosevelt Library, gift fund	100	400	
National Archives gift investment account		700	2,624.88
Special deposit accounts:			
Federal tax withholdings			• 21,767.80
Payroll allotments, war bonds			• 1,778.19
Other			623.92
National Capital Housing Authority:			
Low-rent housing fund, construction loan by U. S. Housing Authority		1,600,000	620,291.31
Operation and maintenance, completed properties	1,000,000	900,000	671,980.91
Langston management	130,000	130,000	88,269.38
Special deposit accounts:			
Federal tax withholdings			• 10,592.56
Payroll allotments, war bonds			768.32
Other			• 25,434.72
National Capital Park and Planning Commission:			
Contributed funds		44,300	87.41
Special deposit accounts:			
Federal tax withholdings			• 1,706.60
Payroll allotments, war bonds			• 84.45
National Labor Relations Board:			
Special deposit accounts:			
Federal tax withholdings			• 50,319.40
Payroll allotments, war bonds			10,690.28
Other			12,401.95
National Mediation Board:			
Special deposit accounts:			
Federal tax withholdings			• 9,497.86
Payroll allotments, war bonds			493.55
Other			• 87
Railroad Retirement Board:			
Special deposit accounts:			
Federal tax withholdings			• 91,708.87
Payroll allotments, war bonds			• 14,799.68
Other			• 254,035.43
Securities and Exchange Commission:			
Unearned fees	20,000	20,000	11,986.57
Special deposit accounts:			
Federal tax withholdings			• 91,457.40
Payroll allotments, war bonds			• 792.61
Other			581.29

• Excess of credits (deduct).



TABLE 112.—Detailed receipts and expenditures of trust accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued

Trust accounts	Estimated		Actual, fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>EXPENDITURES—Continued</b>			
<b>Other trust accounts—Continued.</b>			
Executive Office of the President and independent offices—Continued.			
Selective Service System: Special deposit account.....			° \$321, 439. 72
Smithsonian Institution:			
Special deposit accounts:			
Federal tax withholdings.....			° 23, 568. 86
Payroll allotments, war bonds.....			° 4, 695. 00
National Gallery of Art:			
Special deposit accounts:			
Federal tax withholdings.....			° 8, 346. 80
Payroll allotments, war bonds.....			° 349. 11
Other.....			75. 00
Tariff Commission:			
Special deposit accounts:			
Federal tax withholdings.....			° 28, 177. 80
Payroll allotments, war bonds.....			° 5, 358. 38
Other.....			1. 86
The Tax Court of the United States:			
Special deposit accounts:			
Federal tax withholdings.....			° 12, 748. 38
Payroll allotments, war bonds.....			136. 89
Other.....			° 2, 335. 00
Thomas Jefferson Bicentennial Commission:			
Special deposit account:			
Federal tax withholdings.....			° 1, 756. 93
Thomas Jefferson Memorial Commission:			
Special deposit account:			
Federal tax withholdings.....			5. 20
U. S. Constitution Sesquicentennial Commission:			
Special deposit account:			
Federal tax withholdings.....			7. 30
U. S. Maritime Commission:			
Special deposit accounts:			
Federal tax withholdings.....			° 676, 360. 72
Payroll allotments, war bonds.....			° 39, 674. 86
Other.....			° 2, 721, 854. 32
Veterans' Administration:			
Personal funds of patients.....	\$4, 500, 000	\$4, 500, 000	4, 347, 690. 96
General post fund.....	100, 000	100, 000	134, 005. 28
Adjusted service certificate fund:			
Investments in United States securities.....	° 5, 159, 100	° 11, 358, 000	° 1, 886, 411. 32
Insurance losses and refunds.....	5, 300, 000	21, 000, 000	1, 647, 700. 00
Funds due incompetent beneficiaries.....	160, 000	160, 000	153, 835. 27
Special deposit accounts:			
Federal tax withholdings.....			° 1, 824, 345. 43
Payroll allotments, war bonds.....			° 107, 911. 82
Other.....			° 18, 604. 65
Welfare and Recreational Association of Public Buildings and Grounds.....	14, 000, 000	14, 000, 000	14, 213, 833. 61
Total, Executive Office of the President and independent offices.....	20, 797, 000	32, 143, 540	° 176, 154, 696. 57
Federal Security Agency:			
American Printing House for the Blind:			
To promote the education of the blind, interest.....	10, 000	10, 000	10, 000. 00
Food and Drug Administration:			
Coal tar colors certification fees.....	10	10	11. 00
Sea food inspections.....	13, 618	13, 618	8, 810. 79
Special deposit account.....			5, 902. 71
Freedmen's Hospital:			
Special deposit account.....			° 8, 741. 38
Office of Education:			
Special deposit account.....			148, 172. 49

• Excess of credits (deduct).

TABLE 112.—Detailed receipts and expenditures of trust accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued

Trust accounts	Estimated		Actual, fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>EXPENDITURES—Continued</b>			
<b>Other trust accounts—Continued.</b>			
Federal Security Agency—Continued.			
Public Health Service:			
National Institute of Health gift fund.....			
National Institute of Health conditional gift fund.....	\$5, 000	\$5, 000	\$3, 948. 91
National Cancer Institute conditional gift fund.....		600	60. 00
National Cancer Institute unconditional gift fund.....			
Personal funds and earnings of inmates, narcotic farms.....	65, 000	65, 000	109, 720. 18
Moneys and effects of former patients.....	3, 000	3, 000	708. 96
Patients' deposits, United States Ma- rine Hospital, Carville, La.....		900	
Leper patients' benefit funds, United States Marine Hospital, Carville, La.....		6, 700	
Erection and support of hospitals for sick and disabled seamen.....		5, 000	
Working fund, Public Health Service.....		32, 600	26, 848. 88
Special deposit account.....			95, 519. 68
Saint Elizabeths Hospital:			
Pension money.....	55, 000	53, 000	38, 498. 57
Personal funds of patients.....	250, 000	250, 000	252, 975. 66
Personal funds of student nurses.....			71. 26
Special deposit account.....			5, 337. 57
Social Security Board:			
Special deposit account.....			5, 566. 80
Office of the Administrator:			
Civilian Conservation Corps:			
Savings fund.....			213, 733. 07
Estates of deceased and mentally in- competent enrolled members.....			1, 298. 07
Special deposit account.....			• 21, 881. 67
National Youth Administration:			
Special deposit account.....			50, 497. 89
Special deposit account.....			• 9, 093. 83
Miscellaneous:			
Special deposit accounts:			
Federal tax withholdings.....			• 1, 058, 864. 33
Payroll allotments, war bonds.....			• 302, 743. 41
Total, Federal Security Agency.....	401, 628	446, 328	• 423, 642. 13
Federal Works Agency:			
Office of the Administrator:			
Works Projects Administration:			
Sale of material acquired under scrap collection program.....			5, 345. 43
Working fund.....			101, 414. 74
Special deposit account.....			239, 460. 69
Unclaimed moneys of individuals whose whereabouts are known.....	50	50	24. 92
Special deposit account.....			• 176, 693. 03
Public Works Administration:			
Revolving fund (act of June 21, 1938).....			501, 602. 78
Public Buildings Administration:			
Special deposit account.....		76, 000	203, 051. 77
Working fund.....		4, 800	• 4, 800. 00
Public Roads Administration:			
Cooperative work, strategic network of highways.....		95, 893	25, 332. 17
Working fund.....		78, 000	47, 547. 81
Special deposit account.....		150, 000	200, 784. 04
Miscellaneous:			
Special deposit accounts:			
Federal tax withholdings.....			• 273, 984. 80
Payroll allotments, war bonds.....			20, 833. 08
Total, Federal Works Agency.....	50	404, 743	889, 919. 60
National Housing Agency:			
Office of Administrator:			
Special deposit account.....			43. 02

• Excess of credits (deduct).

TABLE 112.—Detailed receipts and expenditures of trust accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued

Trust accounts	Estimated		Actual, fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>EXPENDITURES—Continued</b>			
<b>Other trust accounts—Continued.</b>			
National Housing Agency—Continued.			
Federal Home Loan Bank Administration:			
Federal Home Loan Bank Board:			
Special deposit account.....			° \$82,735.29
U. S. Housing Corporation: Special deposit account.....			948.10
Federal Housing Administration:			
Unearned collections, title I, National Housing Act, as amended.....	\$15,000	\$17,000	10,202.40
Expenses on real properties acquired under insurance granted prior to July 1, 1939, title I, National Housing Act.....	11,000	10,000	3,953.05
Special deposit account.....			° 14,041.49
Federal Public Housing Authority:			
Operation and maintenance of resettlement projects.....	1,300,000	1,350,000	1,355,008.11
Special deposit account.....	° 1,690,000	° 750,000	° 1,847,930.88
Special deposit accounts:			
Federal tax withholdings.....			° 1,149,548.42
Payroll allotments, war bonds.....			° 140,519.87
Total, National Housing Agency.....	° 364,000	627,000	° 1,864,621.27
Department of Agriculture:			
Agricultural Research Administration:			
Office of Administrator:			
Working fund, Agriculture, Agricultural Research Administration trust fund.....	4,500	15,000	° 21,388.04
Forest Service:			
Cooperative work.....	2,000,000	2,300,000	1,966,661.48
Working fund, Agriculture, Forest Service trust fund.....			500.11
War Food Administration:			
Food Production Administration:			
Agricultural Adjustment Agency:			
Moisture content and grade determinations for Commodity Credit Corporation.....	3,000	3,000	6,520.58
Indemnity fund, county associations.....	1,000	2,000	4,581.89
Undistributed cotton price adjustment payments.....	1,000	2,000	91.68
Working fund.....			° 6,257.04
Farm Security Administration:			
Payments in lieu of taxes and for operation and maintenance of resettlement projects.....	458,000	1,258,000	900,131.43
State Rural Rehabilitation Corporation funds.....	6,980,000	10,210,000	5,538,029.81
Drainage district assessments on acquired lands.....	7,000	8,000	
Liquidation of deposits, reserve for maintenance and repair, lease and purchase agreements.....	500	15,000	145.00
Liquidation of deposits, lease and purchase of contracts.....	132,000	197,000	85,562.63
Special deposit account.....			11,670,198.22
Food Distribution Administration:			
Marketing service:			
Expenses and refunds, inspection and grading of farm products.....	4,300,000	5,000,000	3,451,223.33
Grading of agricultural commodities for Commodity Credit Corporation.....	625,000	700,000	422,756.84
Surplus Commodities Corporation, purchases for States.....			44.90
Working fund.....			° 34,501.52
Commodity stamp trust fund—redemption of order stamps.....		550,000	852,338.00
Farm Credit Administration:			
Special deposit account.....			2,752,129.99

° Excess of credits (deduct).

TABLE 112.—Detailed receipts and expenditures of trust accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued

Trust accounts	Estimated		Actual, fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>EXPENDITURES—Continued</b>			
<b>Other trust accounts—Continued.</b>			
Department of Agriculture—Continued.			
Miscellaneous accounts:			
Miscellaneous contributed funds.....	\$75,000	\$160,000	\$230,595.26
Return of excess deposits for reproductions of photographs, mosaics, and maps.....	750	1,250	973.25
Unclaimed moneys of individuals whose whereabouts are known, Agriculture..	100	100	-----
Special deposit accounts:			
Federal tax withholdings.....	-----	-----	° 3,234,749.16
Payroll allotments, war bonds.....	-----	-----	° 228,421.84
Other.....	-----	-----	° 6,411,866.59
Total, Department of Agriculture.....	14,587,850	20,421,350	17,945,300.21
Department of Commerce:			
Office of the Secretary:			
Working fund.....	-----	-----	° .08
Bureau of the Census:			
Special statistical work.....	150,000	170,000	185,962.54
Working fund.....	-----	-----	° 14,807.90
Office of Administrator of Civil Aeronautics:			
Working fund, Commerce, Civil Aeronautics.....	-----	-----	° 188,632.05
Special deposit account.....	-----	-----	° 84,047.45
Bureau of Foreign and Domestic Commerce:			
Special statistical work.....	1,500	15,000	29,303.33
Patent Office:			
Unearned fees.....	30,000	30,000	16,812.12
Working fund.....	-----	2,000	5,689.72
National Bureau of Standards:			
Working fund.....	-----	-----	° 5,913.48
Weather Bureau:			
Working fund.....	-----	-----	54,296.89
Miscellaneous:			
Special deposit accounts:			
Federal tax withholdings.....	-----	-----	° 1,675,292.85
Payroll allotments, war bonds.....	-----	-----	° 44,198.61
Other.....	-----	-----	° 61,918.71
Total, Department of Commerce.....	181,500	217,000	° 1,782,746.53
Department of the Interior:			
Southwestern Power Administration:			
Grand River Dam project.....	1,442,000	1,657,000	1,605,281.44
Grazing Service:			
Funds contributed for administration, protection, and improvement of grazing districts.....	125,000	125,000	107,724.46
Refund of deposits, unearned fees from public lands under Grazing Act of June 28, 1934.....	400	300	285.45
General Land Office:			
Expenses, public survey work.....	10,000	10,000	8,384.90
Trustee funds, Alaska townsites.....	2,000	2,000	12.50
Unearned proceeds, lands, etc.....	100,000	140,000	310,163.10
Bureau of Indian Affairs:			
Miscellaneous trust funds of Indian tribes.....	7,000,000	6,900,000	6,582,746.29
Indian moneys, proceeds of labor.....	600,000	600,000	369,544.60
Special deposit accounts:			
Federal tax withholdings.....	-----	-----	° 45,108.89
Payroll allotments, war bonds.....	-----	-----	° 290,899.90
Other.....	-----	-----	° 237,633.92
Bureau of Reclamation:			
Reclamation trust funds.....	1,300,000	1,570,000	1,206,988.90
Geological Survey:			
Working fund.....	-----	-----	° 6,573.67
National Park Service:			
National Park Service, donations.....	10,000	21,000	37,167.79
Preservation, birthplace of Abraham Lincoln.....	5,000	15,000	1,997.36
National Park trust fund.....	2,000	2,000	-----

° Excess of credits (deduct).

TABLE 112.—Detailed receipts and expenditures of trust accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued

Trust accounts	Estimated		Actual, fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>EXPENDITURES—Continued</b>			
<b>Other trust accounts—Continued.</b>			
Department of the Interior—Continued.			
National Park Service—Continued.			
Jefferson National Expansion Memorial, contribution .....	\$50,000	\$180,000	\$91,864.73
Purchase of lands .....			1,000.00
Fish and Wildlife Service:			
Miscellaneous contributed funds .....	5,000	19,386	29,475.03
Fox and fur seal industries, Pribilof Islands .....	100,000	97,600	135,464.98
Expenses, sale of furs, Fish and Wild- life Service .....	700	700	545.10
Government in the Territories:			
Funds contributed for improvement of roads, bridges, and trails, Alaska .....	100,000	175,000	3,835.87
Special deposit accounts, miscellaneous civil:			
Federal tax withholdings .....			° 1,455,265.51
Payroll allotments, war bonds .....			° 64,006.69
Other .....			° 1,862,889.00
Total, Department of the Interior .....	10,852,100	11,514,986	6,530,104.92
Department of Justice:			
Legal activities and general administration:			
Fees and other collections, United States Marshals .....	500,000	400,000	318,681.14
Working fund, Office of the Attorney General .....			3,845.05
Working fund, miscellaneous trust fund. Immigration and Naturalization Service:			° 21,129.08
Disposition of deposits of aliens who become public charges .....	6,000	5,500	891.84
Return of deposits to secure payment of fines and passage money .....	10,000	10,300	49,332.75
Unearned naturalization fees .....		5,000	41,393.37
Federal Prison System:			
Funds of Federal prisoners .....	1,500,000	1,500,000	1,320,464.18
Commissary fund, Federal prisons .....	650,000	650,000	563,569.28
Miscellaneous:			
Special deposit accounts:			
Federal tax withholdings .....			° 1,802,607.27
Payroll allotments, war bonds .....			195,789.38
Other .....			224,520.00
Total, Department of Justice .....	2,666,000	2,570,800	894,750.64
Department of Labor:			
Children's Bureau:			
Working fund .....			408.71
Special deposit accounts:			
Federal tax withholdings .....			° 375,785.13
Payroll allotments, war bonds .....			36,267.23
Other .....			10,391.00
Total, Department of Labor .....			° 328,718.19
Navy Department <sup>4</sup> .....	3,902,000	3,890,000	° 2,494,594.72
Post Office Department, special deposit ac- counts payable from Treasury .....			° 12,016,294.81
Department of State, miscellaneous trust ac- counts .....	6,725,500	7,173,500	19,583,429.34
Treasury Department:			
Bureau of Accounts:			
Payment of unclaimed moneys .....	15,000	60,000	23,710.35
Return of miscellaneous and excess collections .....			153.60
Outstanding liabilities .....			° 1,158,104.81
Special deposit account .....			° 556.83
Office of Treasurer of the United States:			
Special deposit accounts, check forgery insurance fund .....			899.61
Bureau of Customs:			
Special deposit account .....			° 260,907.96

° Excess of credits (deduct).

<sup>4</sup> Because of possible material changes in war conditions the detailed estimates of appropriations for the fiscal year 1946 will be submitted to the Congress as a part of a supplementary Budget in the spring of 1945. Consequently the estimated expenditures for the fiscal year 1946 are tentative.

TABLE 112.—Detailed receipts and expenditures of trust accounts, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946—Continued

Trust accounts	Estimated		Actual, fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>EXPENDITURES—Continued</b>			
<b>Other trust accounts—Continued.</b>			
Treasury Department—Continued.			
Bureau of Internal Revenue:			
American Samoa trust fund, coconut oil tax (internal revenue)	\$2, 200	\$2, 200	-----
Philippine trust fund (internal revenue)	5, 000	5, 000	\$37. 76
Philippine trust fund, coconut oil tax (internal revenue)	45, 000	180, 000	2, 501, 644. 19
Puerto Rico trust fund (internal revenue)	23, 000	23, 000	35, 282. 24
Expenses, Treasury Department, enforcement, title III, National Prohibition Act, as amended, Puerto Rico and Virgin Islands	43, 300	51, 200	121, 573. 67
Special deposit account	-----	-----	° 1, 095, 362. 51
Bureau of the Mint:			
Special deposit accounts	-----	-----	° 1, 466, 211. 58
Procurement Division:			
Special deposit accounts:			
Proceeds of sale of Government property, Federal property utilization program	-----	-----	° 4, 842, 341. 50
Other	-----	-----	° 10, 863, 755. 52
Miscellaneous:			
Special deposit accounts:			
Federal tax withholdings	-----	-----	° 4, 791, 773. 35
Payroll allotments, war bonds	-----	-----	° 625, 068. 62
Other	-----	-----	° 143, 643, 851. 01
Total, Treasury Department	133, 500	321, 400	° 166, 064, 632. 27
War Department:			
Military trust funds <sup>4</sup>	457, 772, 000	593, 111, 000	50, 867, 016. 47
Civil functions:			
Corps of Engineers (rivers and harbors):			
Funds contributed for river and harbor improvements	167, 000	327, 000	232, 309. 82
Funds advanced for improvement of rivers and harbors	-----	71, 000	-----
Funds contributed for flood control, rivers and harbors	347, 000	560, 000	480, 975. 80
Funds advanced for flood control, rivers and harbors	-----	638, 000	833, 411. 74
Working fund, War, Engineers, civil trust fund	-----	3, 840, 000	14, 778, 197. 10
Special deposit accounts:			
Federal tax withholdings	-----	-----	° 1, 610, 197. 18
Payroll allotments, war bonds	-----	-----	133, 822. 47
Other	-----	-----	10, 417. 57
U. S. Soldiers' Home:			
Maintenance and operation of the U. S. Soldiers' Home (annual appropriation)	1, 210, 000	1, 190, 000	1, 164, 345. 81
Panama Canal:			
Working fund, Panama Canal trust fund	-----	-----	7, 893. 02
Special deposit accounts:			
Federal tax withholdings	-----	-----	° 11, 638. 34
Payroll allotments, war bonds	-----	-----	148, 963. 86
Total, civil functions	1, 724, 000	6, 626, 000	16, 168, 501. 67
Total, War Department	459, 496, 000	599, 737, 000	67, 035, 518. 14
District of Columbia	77, 316, 780	78, 867, 900	65, 464, 085. 03
Total	603, 698, 908	765, 457, 047	° 172, 162, 251. 03
Adjustment to daily Treasury statement basis	-----	-----	+195, 117, 996. 91
Total, other trust accounts	603, 698, 908	765, 457, 047	22, 955, 745. 88
Total expenditures, trust accounts	6, 666, 441, 549	6, 162, 750, 850	4, 700, 377, 863. 19

° Excess of credits (deduct).

<sup>4</sup> Because of possible material changes in war conditions the detailed estimates of appropriations for the fiscal year 1946 will be submitted to the Congress as a part of a supplementary Budget in the spring of 1945. Consequently the estimated expenditures for the fiscal year 1946 are tentative.

TABLE 113.—*Summary of cash operations of the United States Treasury, actual for the fiscal year 1944 and estimated for the fiscal years 1945 and 1946*

[On basis of 1946 Budget document]

Description	Estimated		Actual, <sup>1</sup> fiscal year 1944
	Fiscal year 1946	Fiscal year 1945	
<b>GENERAL FUND BALANCE</b>			
Treasury cash balance at beginning of year.....	\$15, 145, 288, 720	\$20, 168, 551, 622	\$9, 506, 565, 926. 06
<b>Receipts (based on present legislation):</b>			
General and special accounts (net) <sup>2</sup> .....	41, 254, 872, 000	45, 729, 715, 000	44, 148, 926, 968. 07
Trust accounts (including transfers from general and special accounts).....	6, 671, 348, 205	6, 175, 787, 584	5, 052, 721, 588. 47
Total receipts.....	47, 926, 220, 205	51, 905, 502, 584	49, 201, 648, 556. 54
Borrowings (net increase in direct public debt).....	40, 500, 000, 000	50, 796, 612, 779	64, 307, 296, 891. 23
Total cash balance, receipts, and borrowings.....	103, 571, 508, 925	122, 870, 666, 985	123, 015, 511, 373. 83
<b>Expenditures:</b>			
General and special accounts (excluding statutory public debt retirements).....	82, 530, 439, 545	98, 912, 338, 340	93, 743, 513, 213. 84
Checking accounts of Government corporations and credit agencies, etc., with the Treasurer of the United States (net).....	1, 230, 000, 000	2, 650, 289, 075	4, 403, 068, 674. 50
Trust accounts.....	6, 666, 441, 549	6, 162, 750, 850	4, 700, 377, 863. 19
Total expenditures.....	90, 426, 881, 094	107, 725, 378, 265	102, 846, 959, 751. 53
Treasury cash balance at end of year.....	13, 144, 627, 831	15, 145, 288, 720	20, 168, 551, 622. 30
<b>EFFECT OF OPERATIONS ON THE PUBLIC DEBT</b>			
Public debt at beginning of year.....	251, 800, 000, 000	201, 003, 387, 221	136, 696, 090, 329. 90
<b>Net increase in public debt during year:</b>			
General and special accounts, excess of expenditures over receipts.....	41, 275, 567, 545	53, 182, 623, 340	49, 594, 587, 895. 77
Checking accounts of Government corporations and credit agencies, etc., net expenditures.....	1, 230, 000, 000	2, 650, 289, 075	4, 403, 068, 674. 50
Trust accounts, excess of receipts over expenditures.....	—4, 906, 656	—13, 036, 734	—352, 343, 725. 28
Statutory public debt retirements.....			—1, 650. 00
Adjustment for increase in Treasury cash balance.....	—2, 000, 660, 889	—5, 023, 262, 902	+10, 661, 985, 696. 24
Increase in public debt during year.....	40, 500, 000, 000	50, 796, 612, 779	64, 307, 296, 891. 23
Public debt at end of year.....	292, 300, 000, 000	251, 800, 000, 000	201, 003, 387, 221. 13

<sup>1</sup> On basis of daily Treasury statement.<sup>2</sup> Excludes net appropriation to Federal old-age and survivors insurance trust fund.





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[Note.—The year, except where otherwise indicated, refers to the fiscal year ended June 30]

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